ESTABLISHED 1887

No. 34,356

PARIS, SATURDAY-SUNDAY, AUGUST 14-15, 1993

# New Strain of Cholera Spreads Into Thailand Cholera is caused by a bacterium, Vibrio cholerae, that

By Lawrence K. Altman New York Times Service

NEW YORK - A new strain of cholera sweeping across India and Bangladesh at an alarming rate has spread to Thailand and threatens to cause a global epidemic of the diarrheal illness, according to health officials.

Cholera is spread primarily through contaminated water and poor sanitation. The World Health Organization in Geneva and the Centers for Disease Control and Prevention in Atlanta say the development is ominous for much of the world.

The new strain first came to light less than a year ago in India. Since it cannot be detected by standard laboratory techniques, cases can easily be missed, say the authors of a study in The Lancet, a leading medical journal. To improve diagnosis, WHO is sending special testing materials to many

Another reason for concern is that earlier attacks from the older strains leave no lasting immunity to the new one.

In a letter to The Lancet accompanying the report, doctors in Thailand reported that the new strain had been found in

patients in Bangkok. This is the first report of anyone being infected by the strain outside India and Bangladesh. The authors of the study said the reports were intended to warn health officials in Asia, Africa and Latin America of the

need to be alert to prevent a health catastrophe.

Dr. David L. Swerdlow and Dr. Allen A. Ries, of the Centers for Disease Control, wrote in The Lancet: "Since we cannot predict where or how rapidly this new organism will spread, countries must stay prepared indefinitely by maintaining sur-

veillance, by assuring access to treatment and by providing clean water and adequate sewage disposal."

In the United States, one nonfatal case of the new cholera has been reported, in Los Angeles, in a woman who became infected in India. U.S. health officials say they are not

discounting the possibility that cases might occur in areas where samtation is poor.

The new development also underscores the need for an effective vaccine, WHO and the U.S. Public Health Service do not recommend currently marketed cholera vaccines because

they protect only a small percentage of individuals and only for

a brief period of time. Current vaccines are ineffective against

microbiological characteristics from the others but causes an illness that is indistinguishable, the experts said.

In its severe form, cholera can cause diarrhea, vomiting and muscle cramps. The sudden loss of huge volumes of fluid and muscle cramps. chemicals causes a collapse of the vascular system and death

within hours unless fluids and chemicals are replaced orally or intravenously. In a more moderate form, cholera may produce only mild

produces a toxin that causes severe diarrhea. The new strain, called 0139 because 138 other strains are known, differs in its

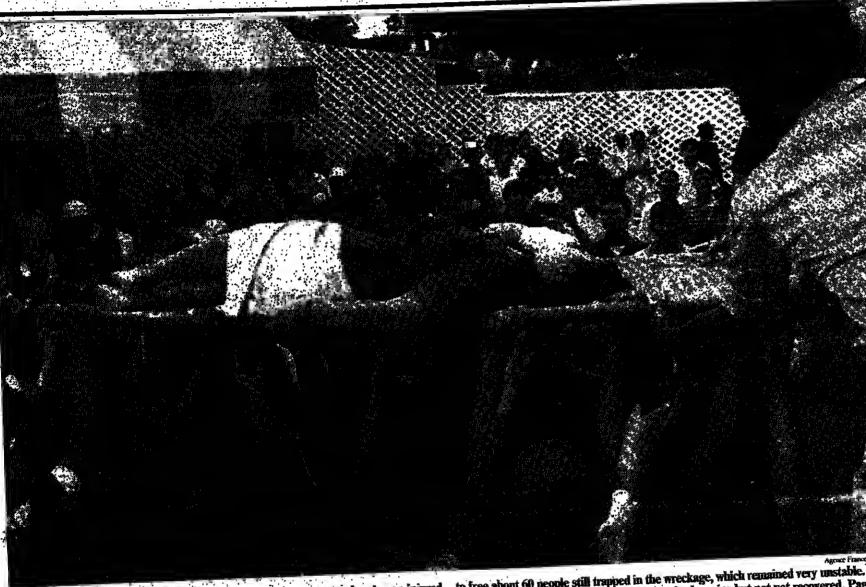
diarrhea. And many people may experience no symptoms but harbor the bacterium and pass it to others. Thus, quarantine is ineffective because carriers are not detected.

Antibiotics are not essential to recovery but may help shorten the course of illness in severe cases.

The world has had seven cholera pandemics — epidemics that strike throughout the world — beginning in 1817, when cholera surged out of India.

The seventh pandemic began in Asia in 1960 and continues

See CHOLERA, Page 3



39 ARE KILLED IN COLLAPSE OF THAI HOTEL - Rescuers bearing an injured woman from a collapsed hotel in Nakhon Ratchasima on Friday. Workers were struggling

**Muslims Agree** 

With Serbs on

A Buffer Zone

Near Sarajevo

Compiled by Our Staff From Disput

SARAJEVO, Bosnia-Herzegovina -- Bosni an Serbian lorces will evacuate a strategic

mountain overlooking Sarajevo by Sanurday and Muslim defenders will hold their ground to

create a buffer zone guarded by United Nations peacekeepers, the UN commander in Bosnia

said Friday.

resume Monday in Geneva.

General Francis Briquemont said the disen-

gagement agreement would allow peace talks to

General Briquemont was confirming a statement from Bosnia's president, Alija Izetbegovic, Mr. Izetbegovic, a Muslim, said in Geneva that the Serbs had agreed to abandon con-

quered terrain on Mount Igman.
"After one to two days monitoring by our

troops we hope negotiations in Geneva can resume on Monday, General Brignemont said.

Brigadier Vere Hayes, the UN chief of staff who led talks with both sides and toured the

troop positions on Mount Igman, said the breakthrough came when the Serbs agreed to

evacuate slopes on Igman looming over Saraje-vo airport and the city approaches. He said that about 250 French UN troops

had moved into areas from which Serbian had moved into areas from which Serbian had moved into areas were now steadily evacuating and that Muslim-led government forces had pledged not to try to retake them. He indicated that the UN

would use force to resist any incursions by

cither side that could torpedo the accord.

A UN official described the role of Brigadier

Hayes as "reminding the Muslims that they're

not going back into areas vacated by the Serbs and remending the Serbs of the cease-fire line

they must respect.

Earlier, international mediators in Geneva

had postponed the resumption of peace talks on

Friday, and called on the parties to reconvene on Monday, hoping that the Igman dispute

Mr. Izethegovic had refused to return to the bargaining table until the Serbs withdrew com-

pletely from Mount Igman and another strate-gic mountain. Mount Bjelasnica. The Serbs pulled their troops off Bjelasnica earlier in the

On Friday, Mr. Izethegovic said that if the

Serbs withdrew from Igman by Saturday, "the

negotiations will continue on Monday after-

The Serbs failure to withdraw has blocked

the Geneva regonations for more than a week.
The Serbs had contended that they had met

their part of the deal by pulling back to posi-tions they occupied before a July 30 cease-fire.

Sources close to the talks said the break until

to free about 60 people still trapped in the wreckage, which remained very unstable. The death toll did not include those bodies seen in the ruins but not yet recovered. Page 5.

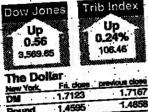
#### Kiosk

### NBA Star's Father Is Slain

A body found in a South Carolina creek has been identified as that of James Jordan, the father of the National Basketball Association star Michael Jordan, the authorities said Friday. Mr. Jordan, 57, died of a gunshot wound to the chest, officials said. He had not been seen tree weeks, but his family had not reported him missing. The authorities said they had oo suspects in the slaying. (Page 17)

Libya Gets New Sanctions Threat UNITED NATIONS, New York (Reuters) - The United States, Britain and France on Friday gave Libya until Oct. I to hand over the suspects in the 1988 bombing of a Pan Am jet over Lockerbie,

Scotland, or face the threat of new sanctions. The three countries made the ultimatum after the Security Council decided to continue aviation, arms and diplomatic sanctions. The sanctions were imposed 16 months ago because of Libya's refusal to surrender two men indicated for planting the bomb that blew spart Pan Am Flight 103, killing 2/0 people. The new sanctions would be in oil-related, financial and technological areas.



**Business/Finance** Market panic gripped Seoul after the government outlawed anonymous transactions. Page 9.

The Swedish market is poised for Pages 14-15. more growth.

Page 5.

Crossword Book Review



PAR PUTTING - Lanny Wadkins reacting to a just-missed putt for a birdie at the PGA Championship in Toledo, Ohio. Wadkins was two strokes off the lead after two rounds. Page 17.

# West Lets Yen Climb, But Won't Say Why

CAPOL SOL

By Lawrence Malkin

International Herald Tribune
NEW YORK — With the yen heading toward 100 to the dollar, the new Japanese government has been pleading for help from the Group of Seven to stabilize its currency. The silence in Washington and European capitals is deafening and likely to continue, at least until Tokyo presents a

program to stimulate its economy.

Reasons for this hands-off attitude vary. European governments are still ton preoccupied sorting out the wreckage of their exchange-rate mechanism to focus on their trade deficit with Japan, which they traditionally prefer to tackle via trade-opening deals rather than cheapen-

ing their currencies.

In Washington, officials absolutely refuse to say anything for fear that even a theoretical explanation could be misinterpreted by currency markets and confuse traders, who have heen methodically strengthening the yen without any official help as Japan's trade surplus continues to

In fact, since the Clinton administration took office in January, the dollar has actually strengthened on a trade-weighted basis because of the weakness of Europe's economies and a drop in the Canadian dollar. So it is not in the interest of the Treasury to be seen meddling.

Its official stance is to stabilize the dollar at a level that will improve its own trade position, and not to engage in competitive devaluations with others.

Carl Amendola, chief foreign-exchange specialist at Hypobank in New York, pointed out that the situadon was so delicate that even a monthly blip in the U.S. trade accounts, showing a decline in the surplus, pushed the yen down to 107 to the dollar earlier this summer, although it later climbed back on Japan's own figures which showed a rise io the surplus.

At the Institute for International Ecopomics in Washington, which has been the

See POLICY, Page 10

# **Impasse Ends** On Sanctions For American **Trade Pact**

But Agreement Fails To Mollify Opposition Within U.S. Congress

By Keith Bradsher

New York Times Service
WASHINGTON — Canada, Mexico and the United States agreed Friday to set up three new North American bureaucracies enforce labor and environmental laws from the Yukon to the Yucatan when the North American Free Trade Agreement eliminates trade barriers, but the deal failed to mollify the trade pact's many congressional critics.

Never before has the United States tied its trade policy so closely to the enforcement of labor and environmental laws in other coun-

Friday's agreements call for fines as high as \$20 million and limited trade sanctions on countries that allow their companies to gain a competitive advantage by breaking domestic

labor and environmental laws.

However, as a yearlong gamble by President
Bill Clinton to heal the Democratic Party's deep divisions on trade policy and win congressional approval of the free-trade pact later this autumn, Friday's deal appeared to have failed.

Representative Richard A. Gephardt of Missouri, the Democracic leader and one of the most influencial members of Congress on trade issues, said the side agreements were inade-quate and declared for the first time that he was unable to support the overall pact.

In Alameda, California, Agence France-Presse reported that Mr. Clinton said in a speech at the naval air station: "I'm pleased that the U.S., Mexico and Canada have reached this agreement and done it in a way that, for the first time ever in a trade agreement, requires another nation, in this case, Mexico, not to use lower environmental standards just to get

[Mr. Clinton said the side agreements be sought would allow "fair trade between the two oations so that both of us can win and create more jobs and build a hetter future." The side accords sought by the Clinton administration

See NAFTA, Page 11

# As Franc Hits a New Low, Just What Can Paris Do?

By Enk Ipsen

International Herald Tribune LONDON - Currency speculators thumbed their noses at the threat by Prime Minister Edouard Balladur of France to curb their activities, driving his franc to all-time lows against the Deutsche mark on Friday.

The mark rose to 3.5360 francs in Paris from 3.5091 on Thursday. (Page 9)

While France complained about the relentless tide of speculation against its currency, the yen pushed to a record high against the dollar. prompting the bead of Japan's electronics grant, NEC Corp., to add his voice to those

outraged over currency speculation. These activities are akin to gambling and will result in continued economic malaise in Japan with an impact all over the world," Takahiro Sekimoto of NEC said. He called for "prompt action" to stem speculation. Japan's problem is the opposite of France's: a toostrong currency is hurting exporters.

But can governments do anything to combat

speculation when currency trading dwarfs official reserves? Should they do anything

The old remedy was for governments to prod their central banks to throw money at the problem. Massive purchases of whatever the market was trying to drive down would turn the tide. But as France spent an estimated 300 billion francs (\$49.79 billion) discovering in its futile attempt to defend the currency last month, that sort of action — even when one is aided hy the powerful Bundesbank — may only compound the scale of the disaster.

France spent all its foreign-currency reserves and borrowed about 189 billion francs more for intervention before the exchange-rate mechanism of the European Monetary System fell apart at the start of this month. When the frane fell below its former ERM floors, the Bank of France saw the value of those loans increase about 10 hillion francs.

Painfully aware of these new market realities, on Thursday evening, Mr. Balladur signaled a change of tactics. He hinted at a need for

See MONEY, Page 11

# A Glimpse of Terrorism Police Scandal Bares a Bonn Cover-Up

By Stephen Kinzer

BERLIN - A spectacular police scandal that has broken over Germany is giving people here their first inside look at the clandestine war of police and terrorists that has been under way in this country for more than 20 years. The scandal has all the elements of a spy

thriller, complete with a top-level informant, a wild shont-out at a rural train station and the prospect that two commandos from the country's most famous police squad may soon be eharged with murder.

After a member of the terrorist Red Army Faction and a commando from the elite border police unit known as GSG-9, from Grenzschutzgruppe, were killed in a bouched ambush June 27. Interior Minister Rudolf Seiters and the chief federal prosecutor, Alexander von Stahl, were forced out of their jobs. The scandal has continued to spread. This week prosecutors announced that they were considering charging two GSG-9 agents with "deliberate killing."
Witnesses say one of the agents killed a Red
Army member as he lay helpless in police

Since the June 27 assault, Germans have learned that for the first time in more than two decades, detectives had managed to insert an informer into the Red Army Faction. They had hoped that his work would ultimately allow them to stage a major operation aimed at destroying the group, but the June assault led to his unmasking and subsequent disappearance.

The informer's work was considered so vital that when he told the police in March of terrorist plans to blow up a newty built prison, they allowed the attack to proceed rather than bring

suspicion on him. The bombiog virtually destroyed the prison, causing an estimated \$100 million in damage. Since the bloody shoot-out in June, much public attention has been focused on Klaus Steinmetz, 33, who for most of his adult life has

been involved in leftist and anarchist protests in and around the cities of Wiesbaden, Mainz, Darmstadt and Frankfurt. In the mid-1980s, he helped organize a boycott of the oational census, a "die-in" at an American military base and protests against the visit of President Ronald Reagan. He is also said to have taken part in

See TERROR, Page 5

#### 103.00 101.90 6.0588 6.0375 Even on Where to Relax, President Can't Quite Decide The latest destination appears to be Martha's Vineyard,

By Gwen Ifill

WASHINGTON—Congress has gone home, everybody on the staff is dog-tired and on edge, and there is hitle left to justify worksholic tendencies in a town where vacationers have been racing to the exits for weeks.

What's a president to do? For Bill Cinton, answering that question has been more difficult than anyone expected. For those who have grown used to the time it typically takes him to make a decision, it has been

The planning for the Clinton family's vacation has taken on all of the trappings of a bad Washington political novel.

Destinations are closely guarded secrets, and threats have been directed at any aide who dares disclose a detail.

At one point last week it was Wyoming, only to be scratched off a sign-up sheet for reporters traveling with the president and replaced with a question mark. It is all so complicated, White House officials said.

Things might be great for your average married couple with one child, said Lorrame Voles, the deputy White House press

secretary. When you add us into the equation, with the staff, the press corps, the communications staff, this is hard." Several reasons have been offered for the Clintons' decision

not to accept the offer of Roger C. Altman, the deputy secretary of the Treasury, to hide out at his ranch in Wyoming for 10 days. The most reliable is that it is too isolated to satisfy the entertainment needs of Chelsea, 13, and the golfing needs of the president. And with Mr. Clinton's allergies, the hay season was

where the president can rent a house that the Secret Service can protect while allowing the Clintons access to sunshine and Part of the president's problem is that he gave up his only

home when he moved out of the Arkansas governor's mansion

For the moment, he is relying on the kindness of friends. The tentative plan to go to the Massachusetts island apparently came on the recommendation of Vernon E. Jordan Jr., the Washington lawyer who vacations there and who serves as a member of the president's informal cahinet.

No matter where Mr. Clinton chooses to vacation, members of his staff are hoping that he sticks to it. Most have made their own vacation plans after a grueling first seven months in office.

# Clinton Weighs National Identity Cards to Control Immigration Mr. Clinton's statements, in an interview Thursday on Air

OAKLAND, California - President Bill Clinton said that his administration was examining the feasibility of creating a tamperproof national identity card as part of an effort to

tamperproof national identity carti as part of an citori to toughen enforcement of immigration laws.

Mr. Clinton said that he "sympathines" with concerns about the impact of illegal immigration and added that the introduction of identification cards would be aimed, in part, at prevent-

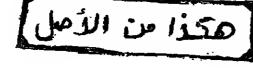
ing illegal immigrants from taking advantage of government

benefit programs.

Civil liberties groups have strongly opposed similar plans in the past. Mr. Clinton said, however, that he oow believes the the past. Mr. Clinton said, however, that he oow believes the the past. Mr. Clinton said, however, that he oow believes the the past. Mr. Clinton said, however, that he oow believes the past. Mr. Clinton said, "I don't think we idea "ought to be examined." see California's Republican should change the Constitution," as California's Republican governor, Pete Wilson, has suggested, to deny citizenship for children born here to parents who are in the country illegally.

Force One on his way here after meeting Pope John Paul II in Denver, marked his most extensive public discussion so far of future policy options on immigration. It is an issue that some advisers believe could become one of the most politically difficult for his presidency. His mendoo of a tamperproof identification card was the first suggestion of a potentially far-

Monday should allow the Muslim-led govern-See BOSNIA, Page 2



# In Czech Republic, a Surge of Racism Against Gypsies

By Peter Maass Washington Post Service

USTI NAD LABEM, Czech Republic - The popularity of Magdalena Babicka, the local beauty queen, soared after ber response to a question in the Miss Czecb 1993 contest, even though she failed to win

Miss Bahicka, a high school student, explained during the ceremony televised across the Czech Republic in April that she wanted to get a law degree and become a

And then, she said, she would "cleanse her home town of its "dark-skinned" resi-

The crowd applauded, while across the country — and particularly here in Miss Babicka's home town — many Czechs were glad that somebody had finally spoken out about the Gypsies.

"All Gypsies have one thing in commoo: They all lie," said Miroslav Polak, a pensioner sitting oo a bench in this city's main square. "Babicka is the only person who wasn't afraid to say io public the opinion of

Gypsies, about 5 percent of the city's edict last month forbidding Gypsies and 100,000 residents. A policeman who was listening to the conversation sbrugged. A woman sharing the bench with Mr. Polak giggled. A passing schoolgirl said all her friends are on Miss Babicka's side.

With the Czech word vycisteni, meaning "cleansing." creeping into daily use. Gypsies worry that the practice will too.

Miss Babicka's words would probably arouse similar support in other East European countries. Gypsies, who were among the targets of Nazi extermination efforts during World War II, again face a tide of racism throughout the region.

The problem is exploding because of hard economic times. Gypsies led a relatively secure life under Communist regimes, which kept a lid on public displays of racism. But now, with the collapse of the Soviet bloc, the lid on free speech is gone, and so are many of the jobs that the Communists gave to Gypsies. They are on their own again, at a time when some East Europeans are looking for scapegoats.

"other suspicious people" to leave their homes between 11 P.M. and 4:30 A.M. Gypsies also were forbidden to drive cars that were in bad condition, and police were 15th century, according to the Encyclope ven special powers to enter and search their homes.

In explaining the reason for the edict, Mayor Frantisek Slobodnik said that crime was out of cootrol and the Gypsies were

"They sleep during the day and steal at night." he was quoted as saying. The cur-few drew strong support from the town's

The Slovak parliament, sensing a public-relations disaster, moved to quash the curfew, declaring it unconstitutional. But the government softened the hlow by promising Mr. Slobodnik that police reinforcements would be sent to Spisske Podhradie.

"They are dealing with the problem by using repressive force," said Klara Orgoof work when a factory must cut back, and
vanova, a Gypsy who advises the Slovak
they are the last hired if jobs become avail-

is a cliché. It's not the problem."

The several million Gypsies who live in Eastern Europe are descendants of Indians who had migrated this far westward by the dia Britannica, and many have retained their nomadic ways.

in general, they have not been assimilated into the mainstream cultures of the countries in which they live. The Gypsies have dark skin, and they speak their own

Although they have a rich musical tradition, many are illiterate. And some hardly speak the language of the country in which

Most Gypsies are poor, and they are the underclass of Eastern Europe. In Hungary, Gypsies account for about 5 percent of the population but more than 50 percent of the prison population. In Romania, memployment among Gypsies is nearly 80 percent.

Gypsies are usually the first thrown out

Mr. Polak said he is glad that Usti has a lin neighboring Slovakia, for instance, government but is quitting her job at the gang of skinheads because they beat up the mayor of Spisske Podhradie issued an end of the summer in disgust. "Criminality man rights officials. Sometimes employers "Gypsies not accepted," and some stores have signs saying, "Gypsies not served."

Gypsy leaders say the accusations against their people are eneggerated. They acknowledge that Gypsies are probably committing more crimes proportionally than the rest of the population, but argue that high crime rates among Gypsies are caused by their poverty, which is in turn

The leaders concede that some Gypsies have become lazy, especially where educa-tion is concerned. Mothers do not insist that children remain in school, so they frequently drift away before they can read or do arithmetic. According to Michal Husak, a businessman and journalist in Prague, the government must cooperate with Gypsy organizations to keep the chil-

"Education is the key," he said. "But we must be realistic. It will take a generation to change the educational problem."

# WORLD BRIEFS

### Russia Bars U.S. Help on Disputes

MOSCOW (WP) — Russia's Foreign Ministry dismissed suggestions Friday that the United States would play a more active role mediating disputes inside the former Soviet Union and said that Russia considered itself the most important agent in the region for "maintaining stability." The statement was spurred by press reports here concerning the

appointment of a senior diplomat, James F. Collins, to a new State Department post monitoring conflicts in the former Soviet Union. A former acting ambassador in Moscow, he is to coordinate administration efforts to find solutions to conflicts here.

The statement underscored both Russia's increasing willingness to claim at least content of the statement of the claim at least some of the old Soviet borders as a vague sphere of

#### influence and its sensitivity toward U.S. involvement here. Terror Threats Clear 3 U.K. Beaches

BOURNEMOUTH, England (AP) — The police ordered tourists off beaches and searched for bombs in three south England resorts Friday after a series of firebombs, apparently planted by the IRA, set off blazes

The fires in the early hours damaged four stores and the pier in Bournemouth, a Victorian holiday town. No one was injured. After receiving telephone warnings, the police used dogs to search the pier and beachfront at Brighton, 75 miles (120 kilometers) east of Bournemouth, and at Torquay, 80 miles west. The police later found and defused a much bigger device under the Bournemouth pier that they said could have hiown up the entire structure.

Brighton was the scene of the Irish Republican Army's most audacious attack in England — a 1983 attempt to kill Prime Minister Margaret Thatcher and her entire Cabinet. Five people were killed in the blast at

#### German Police Brace for Neo-Nazis

BERLIN (AP) - German authorities have banned neo-Nazi demonstrations planned for the weekend across the country to commemorate the death of Hitler's deputy, Rudolf Hess. They are also trying to cope

with more anti-foreigner attacks.
"We're armed and ready," said a spokesman for the state police of
Saxony in Chemnitz, one of at least 11 towns and cities where authorities

have banned neo-Nazi rallies and meetings.

Meanwhile, Greece lodged a protest with Germany over an attack by a gang of skinheads who set upon 10 Greek laborers en route to a construction site in Eastern Germany. Three of the Greeks had to be hospitalized in Hoyerswerda, one with a fractured skull. Also in the East, five skinheads attacked a 14-year-old student from Switzerland at a playground in Gera, the police said."

#### Lagos Accuses Foes of Bomb Attacks

LAGOS (Reuters) - Nigeria's military rulers accused opponents Friday of plotting a campaign of city bomb attacks in support "a disgruntled politician" now abroad.

The charges clearly referred to Moshood K. O. Abiola, who is widely believed to have won a presidential election in June that was annulled by the president, General Ibrahim Babangida, although it did not use his

name. Mr. Abiola's supporters called the allegations absurd.

The government statement was issued as Lagos, Nigeria's biggest city, remained mostly paralyzed on Friday by a stay-at-home protest against

#### North Korea Stalls Nuclear Inquiry

who has meningitis, with family members in a Sarajevo hospital. Behna is not on the list of those to be evacuated.

VIENNA (Reuters) — The UN nuclear authority said Friday that North Korea was still restricting access to two suspect atomic sites, and an agreement on full inspections appeared to be deadlocked.

A team of experts from the Vienna-based International Atomic Energy Agency returned from a week's visit to North Korea on Thursday and said they had only been allowed to carry out maintenance work on monitoring equipment at the plants in Yongbyon.

"We are not setting the kind of satisfactory access required to move

"We are not getting the kind of satisfactory access required to move our inspection procedures ahead," a spokesman said. "That process is stymied for the time being." The West believes North Korea has the material to produce nuclear weapons at Yongbyon, 95 kilometers north of Pyongyang, but the government has repeatedly denied this.

-

2

253

WE TILL IN

-2

#### for the Record

Former Vice President Walter F. Mondale was sworn in as ambassador to Japan on Friday in a Washington ceremony, Mr. Mondale urged action to correct the trade imbalance between the two countries. (AP)

### TRAVEL UPDATE

Air France plans to install phones on long flights starting in mid-1994 and test a radio phone on its Paris-London route next month. (AFX)

American Airlines has reached agreement with British Midland Airways to list connecting flights through London under one number, called "code-sharing," an industry source said Friday. The carriers stand to pick , up passengers who might otherwise have flown British Airways. (AP) Romanian train engineers defied the government and the courts Friday

and called an all-out strike, bringing chaos to rail traffic in the Balkans. The engineers disobeyed a Supreme Court ruling outlawing their threeday pay action for 80 days. The strikers vowed to keep the railroads shut down. Thousands of travelers were stranded, and Bulgaria and Hungary reported disruptions:

Florence authorities said Friday that they planned to tighten security around some of the city's most famous landmarks after a wave of bomb attacks. Streets will be closed and no-parking zones set up around areas such as the Duomo and museums housing Renaissance art treasures. The plan is to be put into effect in early September.

The Irish tourist board reported that a 10 percent drop in American tourists in Europe this year would deal a blow to Ireland's \$1.6 billion vacation industry, which attracted 17 percent more U.S. visitors last year than in 1991.

Japan has given Northwest Airlines pennission to continue operating flights on the New York-Osaka-Sydney route until Sept. 15. Under the agreement, at least half the passengers must be Sydney-bound when the (AFP) aircraft lands in Osaka from New York.

# Ex-King's Visit Sparks An Inquiry in Greece

ATHENS — A public prosecu-tor in the northern city of Salonika Friday to determine whether Constantine, the former king of Greece, had committed treason during his

The prosecutor, Daniil Daniilidis, ordered the Salonika security police to investigate whether Con-

stantine or anyone in his group had a referendum in 1974 rejected committed a treasonous act, endangered the territorial integrity of Greece or incited citizens to rior. In a separate action, two lawvers on the board of the Salonika Bar

Association filed a treason suit against the former king Friday. Mr. Danillidis ordered the firvestization based on newspaper re-

ing his visit so far. The former monarch arrived in northern Greece with his Danish-born wife, Anne-Marie, and five children Monday and has been cruising in the Aegean Sea on a private yacht. Some newspapers have charged that Constantine has questioned

Greece's political system and has not renounced his throne. Legal experts said the prosecutor's investigation could last for

more than a month. The prosecutor would have to wait for its completion before deciding if there were

military dictatorship in 1967. The former king last visited Greece in 1981, when he received permission to attend his mother's funeral. He and his family have

been in exile since 1967. Greece was declared a republic in 1973 and The conservative government, which said it did not know about or

approve his arrival warned Constantine on Wednesday to keep his visit here private and accept that Greece is a presidential democracy. It also barred him from visiting a northern border post and advised him against visiting the ascient tombs of Macedonian royalty found at Vergina, near Salonika, after local residents threatened to

democracy and this is not doubted by anyone," the former king told the private Antenna television non-

work Friday. He said he was not bothered by the reaction his visit had caused as "we are a free country and people

-Constantine has said in the past that he would be prepared to rem as king if the people decided this in . a referendum. The government says that Greece will remain a presidential democracy.

# Yeltsin Proposes Parallel Parliament

PETROZAVODSK, Russia -President Boris N. Yeltsin, apparently in a challenge to the conserva-tive parliament, on Friday pro-posed creating a new seat of power assembling leaders from Russia's dence of Russia.

regional administrations. This would not be just some would be a legitimate organ of

whether it should make laws or develop into a "parallel parlia-He announced the plan after tives from each of Russia's 88 territhreatening to dissolve parliament, tories. He said the regional leaders

relic, and force elections this au-Mr. Yeltsin also told the leaders that a constitutional convention would meet next mooth to work out ways to adopt a draft charter

for the political system. The present charter enshrines the supremacy of parliament, the Congress of People's Deputies, which Mr. Yeltsin sees as a conservative

barrier to his market reforms. And he said Russia could be ruled by a transitional constitutional law until parliamentary elections, which he vowed Thursday to call in the autumn if the hard-line congress fails to set a date for the

Mr. Yeltsin also told the leader: of Russia's 88 autonomous republies, regions and districts that there was no question of any territory seceding from the federation.

"I have to say that if any republies or regions really have hopes of leaving Russia, then they are deep-

**AMSTERDAM** 

CROSSROADS INTERNATIONAL CHUR-CH Interdenomnational & Evangelical Sun-day Service 10:30 a.m. / Kids Welcome. De Cusenstraat 3, S. Amsterdam Info, 02940-15316 or 02503-41399.

FRENCH RIVIERA

CORNERSTONE CHRISTIAN FELLOW-SHIP worshos at Hotel Mediathel, Sopha-Antipolis, 10:30 a.m. Sundays; nursery, Sunday sonote: tel 93.65.64.54.

MADRID

COMMUNITY CHURCH, Worship and Church-School at 11:00 a.m., Padre Daman 3. (August, Orense end Gen, Yague). International, English Speaking, Tel.:

ly mistaken." he saidl. "Russia will

remain a unified force." The only territory absent from

But Tatarstan, a republic with considerable oil wealth, bas also kind of assembly," Mr. Yelssin told declared itself a sovereign state in a meeting of regional leaders in the association with Russia. Separatist northern town of Petrozavodsk, "It stirrings have come from neighboring Bashkortostan and Tuva on the Mongolian frontier.
The council, he said, was intend-

Mr. Yelisin proposed setting up what be called a "federation council," but he did not make clear various tiers of Russia's regional power structure, which threaten his plans for a new constitution, It would include two representa-

which he regards as a Soviet-era should decide whether the body was established. Parliament could interpret his proposal as an unconstitutional attempt to set up a parallel parlia-

> Mr. Yeltsin called the Petrozavodsk meeting in an effort to salvage his plans for adopting a new constitution to replace the basic law inherited from the Soviet era. But if the plans for a new consti-

Mr. Yeltsin's chief weapon against the legislature. Hard-line lawmakers have resist-ed elections before their current term expires in 1995 unless a presidential vote is set as well. Mr. Yeltsin's term ends in 1996, and he does not want presidential elections be-

tution fail, elections could become

A constitutional assembly picked by Mr. Yeltsin approved the to decide how it should be ratified.

vo into Western hospitals. The United Nations has approved immediate evacuation of 41 people from Sarajevo, but a British doctor said some more-deserving cases

LONDON - A dispute broke out Friday between Britain and the United Nations over a

hastily arranged airlift aimed at getting some of

the most critically injured in the siege of Saraje-

were not on the list. Especially controversial was the discovery that only four children were on the list.

The British government on Friday night ordered a review of the situation.

Western countries offered to treat some of the seriously injured after publicity surroundpresident's draft constitution in ing the case of 5-year-old Irma Hadzimurato-July, but the 700 delegates still have vie, who was airlifted to Britain on Monday.

The Great Ormond Street Hospital for Sick (Reuters, AP) Children in London reported Friday that frma

was in stable but critical condition. She was operated on twice for shrappel injuries from a Serhian mortar attack.

U.K. and UN Clash on Emergency Airlift

She also has meningitis. Prime Minister John Major's office said Britain was willing to take more than the 20 it was originally scheduled to receive out of the 41. It said officials were discussing with UN officials whether the existing list was comprehensive.

The prime minister has made it clear that the U.K. is willing to take additional seriously ill patients for emergency medical treatment, the statement said.

British medical personnel have flown to Sarajevo to prepare the evacuation of the 41 Bosnians, who will be treated in bospitals in Britain, Sweden and freland.

Barooess Chalker, the overseas development minister, saio on Channel Four television, However needy others are, f do know that the intention was to bring as many of the suffering children as possible."

But Sylvana Foe, spokeswoman for the UN High Commissioner for Refugees, defended her agency's decisions.

"We cannot make Sarajevo into a supermarket where people come and pick and say we'll have one of those and one of those and one of those," she said on Channel Four. "I think there's been obviously a misunderstanding with British public opinion.

"We asked for 41 places for people in need of medical evacuation," she said. "Some of those people are children. Many are adults."

one Urges Rescue Mis Pope John Paul II has urged President Bill Clinton to lead the Western allies in the rescue of the besieged Bosnians so "the Islamic world would not believe that the Christian world would abandon Muslims in the heart of Europe," the Los Angeles Times reported from

#### Oakland, California. BOSNIA: Word of Serbs' Accord

Continued from Page 1 ment, the Croats and the Serbs to prepare negotiating positions for

tons of aid were en route to Saraie-

strikes hangs over the Serbs. In Washington, the Organization of the Islamie Conference pressed

We are delighted at the decision that the administration has recenttaken on the air strikes," said Foreign Minister Abdul Sattar of Pakistan. "We believe that action is now imperative."

Mr. Christopher said he shared

NATO has agreed that Butros Butros Ghali, the UN secretarygeneral, must authorize the first Mr. Christopher and other offi-

in peace talks could trigger NATO air strikes.

ing the mountain is not the only

For Work, Life and Acade Call or write for information or send detailed recome for Free Evaluation Pacific Western University

#### manding positions" on Mount Igman, an indication that the United States might be satisfied with a

troop pullback that falls short of complete evacuation. The apparent

shift, after two consecutive days of

demands from Mr. Christopher

that the Serbs totally abandon lg-

man and Bjelasnica, apparently

would forestall air strikes in Bos-

nia-Herzegovina hy NATO bomb-

A senior State Department offi-cial close to the negotiations denied

that the administration was making

concessions, but added, "If Izethe

govic is satisfied, are we supposed

end to identify targets for air

strikes aimed at forcing the Serbs to

Meanwhile, trucks bearing 38

vo, the first supply convoy to use a newly opened humanitarian corridor linking the northern town of Zenica with Sarajevo, a spokesman for the UN High Commissioner for Refugees announced. Opening two roads, as they have promised into the Bosnian capital is another key test as the threat of NATO air

the United States and its allies to launch air strikes in Bosnia, but Secretary of State Warren M. Christopher said they were not yet at that point.

the anguish many feel over Bosnia, but when asked about a timetable for possible action, he refused to States had not called for a NATO meeting, which officials have said is the next-to-last step before air strikes can be launched.

He has since stressed that vacat-

criterion. As he repeated Friday. the United States is also looking for the Serbs to end the siege of Saraje-Mr. Christopher referred to hav-

April.

### UNIVERSITY DEGREE BACHELORS - MASTERS - DOCTORATE

600 % Sepatrata Bird Dapi 23 Los Angeles CA 90049 FAX NO. 1941 (1) 589546 / TEX. 1941 (1) 903073.

#### Imprimé par Offprent, 73 rue de l'Evangile, 75018 Paris.

#### MUNICH INTERNATIONAL COMMUNITY CHUR-CHEVangelical, Bible Believing, services in English 4:15 p.m. Sundays at Erhuber Str. 10 (UZ Theresienstr.) (089) 93 45 74. MONTE CARLO INT'L FELLOWSHIP, 9 Rue Louis-Notan, Sunday Worship 11:00 & 6 p.m. Tel: 92.16.56.00. PARIS and SUBURBS HOPE INTERNATIONAL CHURCH (Evan-gelcal), Sun. 9:30 a.m. Hotel Onon. Metro 1 : Esplanada de La Delensa, Tol.: 47,7353.54 or 47,75.14.27 SAINT JOSEPH'S CHURCH (Roman Catholic). Masses: Saturday Evening 6:30 p.m., Sunday, 9:45, 11:00, 12:15 and 6:30 p.m. S0, avenue Hoche, Paris 8th. Tel.:42.27.28.56. Metro: Charles de Gaulle -

ZUPICH - ENGLISH-SPEAVONG CATHOLIC MISSION, located at St. Anton Church, Miner-vestrance 53, near Kreutzhatz. Sunday Mass at 11:15 zm. Tel. 01-382-02-08. \$7. PAUL INTERNATIONAL LUTHERAN CHURCH, near lidebash Str. Tel: 3261-3740, Worship Service 9:30 a.m. Sundays.

ZURICH

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

THE AMERICAN CATHEDRAL OF THE HO-LY FRINTY, Sun. 9 & 11 am. 10 am. Sun-day School for children and Nursery care. 23, avenue George V. Paris 75008. Tel: 33/1 47 20 17 92 Metro: George V or Afria Marceau. PLORENCE ST. JAMES CHURCH Sin 9 am Rie I &

11 a.m. Rite II, Via Bernardo Rucellai 50123, Porence, Ray, Tel: 3955 29 44 17. FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 am. Sunday School and Nursery 10:45 am. Schastian Pare St. 25, 60229 Frankfut, Germany, U1, 2, 3 Miguel-Allee Tel. 4969 95 01 84. GENEVA

EMMANUEL CHURCH, 1st, 3rd & 5th Sun, 10 a.m., Euchams: & 2nd & 4th Sun, Morning Prayer, 3 rue de Monthoux, 1201 Geneva, Switzefand, Tel.: 41/22/736/63/01. MUNICH

THE CHURICH OF THE ASCENSION, Sun. 11:35 a.m. Seybothstrasse 4, 8000 Munich 90, Germany, Tel.: 49:89 611 55:20.

ROME

ST. PAUL'S WITHIN THE WALL, Sun. 8:30 am. File I, 10:30 am. File II, 1 pm. Spanish Euchenst. Via Napoli 58, 00184 Rome, Italy. Tel: 398-474-35-69.

DARMSTADT OARMSTADT/EBERSTADT BAPTIST MIS-SION, Bible study & Worship Sunday 10:30 a.m. Stadmission De-Ebersladt, Bueschelstr. 22. Bible study 9:30, worship 10:45. Pastor

#### RELIGIOUS SERVICES DÜSSELDORF INTERNATIONAL BAPTIST CHURCH EN-

FRANKFURT

ALL SAINTS CHURCH, 1st Sun 9 & 11:15 gish. s. 10:00, worship 11:05. Children's church and nursery. Meets at the International School, Louditeriburger Krichweg 2,D-Kaiseswerth, Francilly Idenoship. All denormations welcome. Dr. W.J. Delay, Pastor. Tel: 0211/400 157. e.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eu-chanst end Sunday School. 630 Chaussie de Louvain, Chain, Belgium. Tet. 32/2 384-3555.

WIESBADEN THE CHURCH OF ST. AUGUSTINE OF CAN-

EUROPEAN BAPTIST CONVENTION

EUROPEAN BAPTIST CONVENTION CHURCHES WELCOME YOU, 50 English

speaking Congregations in 17 European Courties, Member Baptis World Alianos and European Baptis Federation. For information contact European Baptis Convention, Somerbergerst. 60, D-65193 Wiesbaden, Tel: 0611-523016. BARCELONA

INTERNATIONAL BAPTIST CHURCH will meet at 11:00 a.m. at the Hilton Hotel for wor-ship (English language), Phone 4101661. REPLIN INTERNATIONAL BAPTIST CHURCH BERLIN Potherburg sr. 13, 1000 Serbs 41 (Siegliz), Bible study 10.45, worship at 12.00 and 19.00 each Sunday, Charles A. Warlord, Pastor, Tal.: 030-774-4670.

BONN/KÖLN

THE INTERNATIONAL BAPTIST CHURCH OF BONNKOLN, Rhemau Srasse 9, Klin. Worship 1:00 p m., Calvin Hogue, Pastor. Tel: (022)6) 47021. BREMEN

BUCHAREST

INTERNATIONAL BAPTIST CHURCH, Strada Popa Pusu 22, 300 p.m. Contact Bill Richardson, Tel 010-91-61. **BUDAPES** 

rational Baptist Fellowship, Il Bimbo u. Sc tman entrance Tapolcsami u. 7, immediately behind front entrance). 10:30 Bble study, 5:00 oum. Pastor Ben Hatfield. Tel.: 1158759 & Reached by bus 11

BULGARIA INTERNATIONAL BAPTIST CHURCH, Soia, Grand Narotho Sobrone Square, Wor-ship 11:00 James Duke, Pastor, Tel: 704367.

CELLE/HANNOVER

INTERNATIONAL BAPTIST CHURCH, Fre-denslatche, Riemannstr. 15. Celle, SS 1245, Westipp 14:00:30 min. Davie, 20 min. By bazn from Hannover. Walking distance from Cella trein station. Pastor Claude Williamson.

CONTROLS IN Europe richde BARCELONA: (03) 3149154 BRUSSELS: Tel: (02) 6600226 TRANSCRIPTINGESEADER (0611: 719461. 1846-YARISTAL (022) 7741596. **HEIDELBERG: (6222)7 3718 or (49)** LORDONE (081) 891-0719. METHERI ANDS (073) 402208

PARIS: (1) 42-77-9677. CONFERENCE INFORMATION: Nov. 12-14. (41) 31-44308.

IN EUROPE & MIDEAST

INTERNATIONAL CHRISTIAN FELLOW-SHIP Evangelsch-Freikrichie Gemeinte, Sotienerstr. 11-18, 6360 Bad Homburg, pho-ne: 06134-23278 or 06196-643650 serving the Frankfurt and Taurus areas, German, BRUSSELS school 1000, women's circle - Friday 09:30. Housegroups - Sunday + Wednesday 19:30. Pastor M. Levey, member European Baptist Convention. 'Declare His glory amongst the

BETHEL INTERNATIONAL BAPTIST CHURCH, Am Dacisberg 92, Franklut a.M. Sunday worship 11:00 a.m. and 6:00 p.m., Cr. Thomas W. Hill, pastor, Tel., 069-543659. HAMBURG

INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TABEA FEST-SAAL AM ISFELD 19, Hamburg-Ostdorf. Bole Study at 11:30 & Worstop at 12:30 each HOLLAND TRINITY BAPTIST S.S. 930, Worship 1930, nursery, warm fellowship. Meers at Bloemcamplean 54 m Wassenaar. Tel. 01751-78024

MUNICH INTERNATIONAL BAPTIST CHURCH OF MUNICH, Holestr. 9 English Language Ser-vices. Bible study 16.00. Worship Service 17:00. Pastor's phone: 6908534. PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH, 96 Rue des Bons-Rarsins, Rueil-Malmason, An Evargelical church for the English speaking community located in the western suburbs S.S. 9:45; Worship, 10:45, Chidran's Church and Nussery. Youth measures Dr. E.C. Thomas, pastor. Call 47.51.29.63 or 47.49.15.29 for information. MTERNATIONAL BAPTIST FELLOWS-IP.
630 pm., 123 av. du Marie. Mo Gaté. Near
the Tour Manipariesse. The evening service
of Emmanuel Baptist. Church. Call
47:5129:63 or 47:49:1529.

International Begast Fellowship meets at the Czech Baptist Church Vinohradska # 68, Prague 3, At metro stop Jarticz Podebrad Sunday a.m., 11:00 Pastor: Bob Ford WUPPERTAL International Bact'st Church, Eroish, German, Persten Worstop 1000 a.m., Seierst. 21, Wupperlat - Stortett, All denormations welcome, Hans-Dieter Fraund, pastor. Tel: 0202/4998384.

ZURICH INTERNATIONAL BAPTIST CHURCH of Walerson (2010), Switzmand, Reservery strasse 4. Worship Services Sunday mornings (1.00, Tel. 1-7028).

**EUROPEAN** 

UNITARIAN UNIVERSALISTS

UNITARIAN UNIVERSALIST fe/anship 6

GENERAL INFORMATION: (49) 621-58-1718.

ASSOC. OF INT'L CHURCHES

AMERICAN CHURCH IN BERLIN, cor. of Cay Alice & Potstamer Str., S.S. 930 a.m., Worship 11 a.m. Tel: 030-8132021. THE INTERNATIONAL PROTESTANT CHIECH OF BRUSSELS, Suntay School 930 am and Oburch 10.45 am Kalanberg, 19 (at the Int. School). Tel.: 573.115.81. Bus 95. Tram 94.

COPENHAGEN NTERNATIONAL CHURCH of Copenhagen, 27 Farvergade, Vastov, near Rädnus, Study 10:15 & Worship 11:30, Tel: 31684786. FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungen Allee 54 (U-Bahn S), Sunday School 9:30, worship 11 a.m. Tel: (069) 599478. GENEVA EV. LUTHERAN CHURCH of Geneve, 20 ne Vertaine. Sunday worship 9:30. In Gen-man 11:00 in English. Tet (022) 310:50:89.

LONDON AMERICAN CHURCH in London at 79 Tol-tenham Court Road, London Wi, SS at 9:45 a.m. & worship at 11a.m. Goodge street tube; Tet (01) 5802791.

MOSCOW MOSCOW PROTESTANT CHAPLAINCY, UPOK Hea, UL Gode Paine 5, bldg. 2. Wor-stap 9+ 11 a.m. S.S. Tel: 143-2582.

OSLO American Lutheran Church, Fritznersgt. 1S Worship & Sunday School 111 a.m. Tel: (22) 44:35:84. PADIS

AMERICAN CHURCH IN PARIS, Worshi 11:00 a.m. 65, Ouar d'Orany, Paris 7, Bus 6 at door, Metro Alma-Marotou or Invalides. STOCKHOLM BRIANTIE CHURCH, Worship Christ in Swedish, English, or Korean, 11:00 a.m. Sunday, Binger Jarks, at Kungateneg, 17, 46-03/ 15-12-25 x 727 for more

VIEWNA COMMUNITY CHURCH, Sunday worship in English 11:30 A.M., Sunday school, nursery, international, all denomina bons vaccome. Donothearcasse 16, Vienna 1, WARSAW WARSAW INTERNATIONAL CHURCH, Protesters English language expatisales, Sun-days 11:00 a.m. (Sept. May), 10 a.m. (Ame-Aug.); Serviday School 93:5 (Sept. May) UL. Modowo 21. Tel.: 43-29-70.

VIENNA

ZURICH priefenational Profestant Church English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengassa 25. Tel: (01) 262525.

to dispute that?" A UN spokesman in Saraievo. Lieutenant Commander Barry Frewer, said Friday that the Serbs remained on Igman and Bjelasnica. There is "still a Serb presence there," he said. NATO sources in Brussels, meanwhile, said the alliance should complete detailed plans this week-

ease their stranglehold on Sarajevo. They said NATO's political committee was meeting regularly to keep the situation in Bosnia under ulate. He said the United In Moscow, Russia distanced itself from proposed air strikes and said it was pursuing its own diplo-matic efforts to end the fighting in Bosnia without resorting to threats.

cials raised the temperature of the debate when they warned this week that continued Serbian occupation of the two peaks and a breakdown

ing the Serbs "leave their com-

Experience - No Cinestrom Attendance Respired (310) 471-0306 FAX: (310) 471-6456

concern was largely for its own coningent of peacekeepers in Bos-nia. (NYT, Reuters, AFP, AP) ■ Serbia Charges Genocide Serbia has asked the World Court to order the Bosnian government to prevent genocide against ethnic Serbs in Bosnia, Reuters reported from The Hagne on Friday. Serbia szid it would present evi-

Ukraine, the second most power-

ful tormer Soviet republic, also crit-icized the proposed strikes, but its

of genocide. Its request for an urgent ruling is almost identical to charges of geno-cide that Bosnia leveled at Serbia during hearings before the court in

LADIES' PANTS AND SKIRTS CARMENT MANUFACTURER TO USAVEEC HY THE POLLOWING FOR SALE FABRIC COMPOSITION STIGLE MANTS IN DISPAR CONTON PLINAT LATER!

ports of Constantine's actions durdence to prove the Bosnian authorities were responsible for acts

> grounds for charges. Opposition parties have called on the conservative government to declare Constantine persona non grata and strip him of his citizen-

meddled in parliamentary proce-dures while he was king, triggering ordered a preliminary investigation a government collapse that led to a

return to the monarchy.

hold demonstrations. Today Greece is a presidential

can say what they want. I am not bothered by this."

DOUR READ Burgar 

Page 3

Dispus

I. K. Bead

in her la

2012 2012

1

of Bomb Ma

ruclear ingo

=1 22

· Ta 3 2

each to the same

CONTRACT.

March 1997 March 1997

there the more than the country

- - - - - -

10 mm / 250

----

1.5

Best Commission of the

ry in Greek

1114 75.2

Fund-Raisers, Part 1: Filling Election Coffers

WASHINGTON - Aithough legislation to overhaul the campage finance system has stalled in Congress, it has accomplished one thing: a frenzied round of fund-raising by incombents.

Lobbysts and directors of political action committees are com-

planning that the pressure has been turned up for early donations with a new pitch. The legislators are arguing that they must stockpile donations now for fear that proposed campaign finance laws would diminish their ability to raise money.

Since the Senate and House have suikingly different bills, no one knows when a new campaign finance law will take effect. Some lawmakers are akeptical that the measure will ever be become law. but are using it anyway as a rationale for litting up donors early.

"This seems to be the excise of the day," said Representative
Mike Synar; Democrat of Oklahoma. "It may be a case where people
will use any excuse to try to get people to give early. It's disingenuous
to say you're for campaign finance reform and then say you've got to

raise all this money now."

Brad O'Leary, a Republican lobbyist and political consultant said of his recent experience as a potential donor: "You've got everybody trying to raise the money before the bill is set in concrete. I see total

There is nothing illegal, of course, with what these incumbents are doing. In their defense, they say that until a new law takes effect, they see nothing wrong with doing whatever is legally possible to

As much as the donors are griping, the appeals seem to be working, and are particularly noticeable among senators, who need larger sums for their statewide campaigns than representatives do.

#### Fund-Raisers, Part 2: Girding for Logal Wars

WASHINGTON - Senator Bob Packwood may be a man of modest means, but he hared one of Washington's priciest law firms to try to fend off the ethics panel's sexual-harasment inquiry into his behavior, which could lead to his censure or even expulsion from the

Mr. Packwood can afford the services of the law firm, Arnold & Porter, because he is the ranking Republican on the Finance Committee and can gount on friends with heavy wallets.

Jack Valenti, representative of the Motion Picture Association of

America, has given \$500 to defray Mr. Packwood's legal expenses. The political action committee attached to Turner Broadcasting System Inc. sent \$2,000. The Air Line Pilots Association, the Scafarers International Union and the Laborers' Political League gave \$10,000 each after Mr. Packwood sent out fund-raising letters asking for help.

In all, Mr. Packwood managed to raise more than \$220,000 in the

first six months of 1993 for his Legal Expense Trust Fund, a vehicle by which lawmakers can accept as much as \$10,000 a year from individuals, political action committees, corporations or unions to pay legal bills arising from proceedings against them in their official

apacity.

Ethics panel staff members are interviewing a dozen of Mr. Packwood's former staff members and female associates after The Washington Post reported last autumn that more than 20 women had accessed him of making unwanted advances.

Mr. Packwood's benefactors say they do not want to abandon a friend who has already rolled up a half-million dollars in legal bills in

defending himself against the accusations and against an unsuccessful Rules Committee attempt to void his election in 1992. 

#### Quote/Unquote

Dean Dominguez, a janitor who usually spends the noon hour weeping the sidewalk and collecting the garbage near the office building he cleans in Denver, marveling at the tidiness of the estimated 160,000 Catholics who had come for World Youth Day and to see Pope John Paul II; "These people are so neat and clean it's unbelievable. There's nothing to sweep up. They see a scrap, they pick it up. I've never seen anything like it." (NYT)

# With Clinton by His Side, Pope Stresses 'Right to Life'

his first meeting with President Bill Chaton in discuss- responsibility and more community action." ing abortion, a major subject of disagreement between

the two world leaders. The Pope celebrated a Mass for U.S. bishops Friday, the second day of a four-day visit to Denver. But his comments Thursday before and after meeting Mr. Clinton had more of a political impact.

Speaking in the rain at a welcoming ceremony at Denver airport, with Mr. Clinton in attendance, the postiff urged a crowd of cheering youngsters, gathered here for church-organized World Youth Day activities, to "choose life."

Although he did not use the word "abortion" or point out Mr. Clinton's support for abortion rights. the pontiff's message was unmistakable.

"All the great causes that are yours today will have meaning only to the extent that you guarantee the right to life and protect the human person," he said. The ultimate test of your greatness is the way you treat every human being, but especially the weakest and most defenseless ones," the Pope said. "The best traditions of your love presume respect for those who

cannot defend themselves."

Later, after he and Mr. Clinton met for 45 minutes with sides and 35 minutes in private at Regis University, the Pope emphasized "the inalienable dignity of every human being and the rights which flow from that dignity — in the first place, the right to life and the defense of life." He said those ideals were "at the heart of the church's message and action in the world."

Mr. Clinton said he thought his meeting with the pontiff had "laid the basis for a productive and constructive relationship in the future," in which the two leaders shared common ground in their beliefs "in On his third official visit to American soil, the Pope work and family and the importance of pursuing outlined a broad vision for a post-Cold War world. policies that support them."

He also cited a joint "commitment to correcting the Nations to end regional wars, help poorer nations and social problems that give rise to so many problems in defend human rights.

Compiled by Our Staff From Disputches this country," and "a recognition that we need in this DENVER — Pope John Paul II wasted no time in nation and throughout the world both more individual

مكذا من الأصل

Mr. Clinton said that he and the pontiff had discussed a wide range of international issues, including Bosnia-Herzegovina, Somalia, Haiti, the Middle East and the former Soviet Union.

"Throughout, I, like every other person who has ever met him, was profoundly impressed by the depth of His Holiness's commitment, the depth of his faith, and the depth of his commitment to continue on his mission," Mr. Clinton said.

Raymond L. Flyan, the U.S. ambassador to the Vatican, said that Mr. Clinton had "expressed to the Holy Father his commitment and his support for full diplomatic relations" between the Vatican and Israel.

After their meeting, Mr. Clinton said that the subject of abortion had not come up. On Wednesday, the White House communications director, Mark Gearan. told reporters he expected that it would not. After hearing the Pope's speech at the airport, the White House press secretary, Dee Dee Myers, said the White House understanding had been "that he wouldn't talk directly about" abortion, and she emphasized that the Pope did not actually say the word.
"I think he tried to make his point without being

confrontational," she said.

The divisive issue of abortion is one of the major differences between Mr. Clinton and his two Republican predecessors. One of his first acts as president was to lift Republican-imposed restrictions on fetal tissue research and abortion counseling at federal clinics, and to permit abortions at military bases overseas. That prompted the Vatican newspaper to call the orders "renewals on the path of death."

On his third official visit to American soil, the Pope calling on the United States to work with the United



(WP. AP) President Clinton and Pope John Paul II after their talks at Regis University in Denver.

# Aspin Plan Could Cost \$20 Billion More

By Barton Gellman

Washington Past Service
WASHINGTON — Defense Secretary Les Aspin has outlined to White House officials a proposed restructuring of U.S. forces that would cost about \$20 billion more than the fiveyear military spending figure promised by President Bill Clinton, and military officials are convinced that he will ask Mr. Clinton to ap-

prove the plan despite its fiscal implications.

Mr. Aspin's outline, drawn from a comprehensive study of post-Cold War defense needs, was presented to cabinet-rank national security and budget officials. Because Mr. Aspin characteristically provided a range of options but feels more strongly about some aspects than others, sources familiar with the proposal came away with somewhat divergent impressions of what he recommended. Two officials said Mr. Aspin's preferred re-

sult carries a price tag that is about \$20 billion more than the \$1.2 trillion Mr. Clinton plans to spend on defense in fiscal years 1994 through 1998 — a five-year target that is \$127 billion less than the Bush administration proposal for the same period. Any shortfall in the five-year savings has

potential significance for Mr. Clinton's basic

own definition of national security and his stilldelicate relationship with military constituen-

A third official said Mr. Aspin's preferred plan included "tens of billions" in extra spending. A fourth official put the figure at \$3 billion to \$13 billion extra for the secretary's "hardcore" recommendations. Pentagon and White House spokesmen said they could not or would

not supply estimates. In grand fiscal terms the increase is modest. amounting to roughly 1 or 2 percent of Mr. Clinton's projected \$1.2 trillion. But the \$20 billion amounts to about one-sixth of the promised defense spending cuts. The narrowness of support for Mr. Clinton's overall budget plan in Congress and the absence of virtually any noodefense cuts in federal spending magnify the importance of that change.

Some of Mr. Aspin's recommendations have been made known; a force of 12 aircraft carriers, two fewer than today bot two more than Mr. Aspin and Mr. Clinton suggested last year; 45 to 55 nuclear-powered submarines, compared with about 80 today; 13 active and 7 reserve air force wings, eight fewer than today; and a Marine Corps of 174,000 active duty troops, compared with 180,000 today. But much of the plan is still unknown, and

these pieces fit into a larger strategy, or why that strategy would cost more than what is now budgeted. Though emphasizing regional conflicts, nuclear proliferation and the potential for renewed hostility from the former Soviet Union as the principal threats to U.S. security, Mr. Aspin has yet to announce his ideas for guarding against them,

One clear implication of the known results is that Mr. Aspin is placing more value on U.S. forces that do not require permission or cooper-ation from other countries to deploy, like air-craft carriers and Marines on amphibious ships. Ongoing regional conflicts in Iraq, Somalia and the Balkans, along with continuing commitments to show the flag in the western Pacific, have pushed even today's larger carrier and Marine forces to their limits.

Mr. Aspin has promised from the beginning that he would not force his strategic review to conform to Office of Management and Budget spending targets that he described to Congress in March as "just kind of pulled out of the air."
If the result of his review was that "you need more money, the answer is yes," he told the House Armed Services Committee, when asked whether he could support increases in the budget office targets.

international international

How to

make an

call without

Sprint

Express.

Get your hands on some of the local currency. But be aware the large bills won't fit in your iny

Get some change to use

#### **Away From Politics**

• Rocket engines from the space shuttle Discovery, which were shut down during an aborted lift-off attempt, will be replaced with engines from another spacecraft, the National Aeronautics and Space Administration said.

· A new strain of the rodent-borne virus that struck the Southwest has killed a man in Louisiana, government doctors said. The previous strain of the virus, which has been linked to the deaths of 20 people, attacked only the lungs; the strain that killed the Louisiana man attacked his kidneys as well.

• Employees at the nation's largest nuclear-waste site are receiving new safety training after errors resulted in the contamination of at least one worker. About 300 employees of the main Energy Department contractor that oversees operation of nuclear-waste tanks at the Hanford Nuclear Reservation, in Richland, Washington, will forgo normal duties to receive the training.

• A volunteer worker with the Boy Scouts has been charged = ith selling \$2,500 in counterfeit souvenir patches during a national gathering of scouts in Virginia, the FBI said, The volunteer, Michael W. Welsh, of DeKalb, Illinois, was caught when another scout leader who is an FBI agent became suspicious as he saw Mr. Weish sell patches out of a truck.

· A New York City doctor was indicted for murder, with the grand jury charging that he performed an illegal abortion on a patient and then allowed her to bleed to death without offering help. Dr. David Benjamin was charged with second-degree murder for having shown "depraved indifference to human life" in the death of Guadalupe AP. NYT. N'P

How to

make an

call with

Sprint

his easy house Sprint Express? 24 hours a day to call a foreign

ins case name sparm express: Let nours a day to can a foreign rountry when you're already in one. Just tell the English-speaking operator how you want the call billied; to your Sprint WorldTraveler FTSCARD. Let local culting card, or collect to the US. Enjoy warrealls, knowing you're paying low intertrational rates. Then, tour out the listings found below and keep them hands Unless you have a lot

To order your free WorldTrander FFOCAHD, dial the Sprint Access Number of the country years in or call collect to the US, at 402-380-3083. In the US, wall 480-882-3842.

# Genetic Trait Is Linked to Alzheimer's

By Natalie Angier

New York Times Service NEW YORK — A genetic trait already linked to heart disease has and it's so gratifying after having been revealed as a powerful risk been involved in Alzheimer's re-factor for Alzheimer's disease, sci-search for so long," said Dr. Maractor for Alzheimer's disease, scimuists have reported.

The discovery could account for

University Medical Center in Duror catists have reported.

mon neurological disorder, scientists said, and it points the way. toward devising treatments to heimer's, and it giblock or at least delay the ultimate by fatal symptoms of the disease.

The finding is the first detection of a trait predisposing people toward contracting Alzheimer's after
age 65, the time when the great
majority of patients come down
with the incurable illness.

beth H. Corder, Dr. Allen D. Roses
and their colleagues report the new
work in Friday's issue of the jourmal Science.

In the latest finding, the re-

have not focused on the late-onset variety but on the less frequent fa-milial forms of the disorder that

Configued from Page 1

today with no signs of abating. It is caused by a type of V. cholerae known as El Tor that can survive in

water for long periods.

It is the longest-lasting cholera pandemic, accounting for more than 3 million cases and tens of

thousands of deaths, WHO said.

When the pandemic reached Af-

Laboratory tests suggest that the

vive longer than El Tor, scientists

at the international Center for Di-

arrheal Diseases Research in Ban-

M Cholera Cases in Russia

Seventeen people have become

gladesh wrote in The Lancet.

new strain is hardier and may sur-

have known that patients with the number is expected to increase sharply as the population ages.

Tim really excited about this, vascular disease.

half of all patients with the com. ham, North Carolina. "It's the first biological risk factor that's been identified for late-onset Alzheimer's, and it gives us hope that we may be able to eventually dis-

Dr. Pencak-Vance, Dr. Eliza-beth H. Corder, Dr. Allen D. Roses

with the incarable illness.

Other recent reports of genes associated with Alzheimer's disease the body to manufacture apolipoprotein E, or ApoE, an essential protein that shepherds cholesterol

news conference that the cholera

It was not clear whether any of

the cases involved the new bacterial

**Buffalo Die of Anthrax** 

VANCOUVER, British Colum-

in a Northwest Territories sanctu-ary, and officials said they feared

more could die.

CHOLERA: New Strain Spreads

disease had not been present for a In Canadian Sanctuary century, it quickly led to high rates of illness and death.

stram.

E4 version of the gene have a small age at which Alzheimer's disease but notably elevated risk of cardio- begins. In people without any E4

possession of the E4 variant is an those with one copy of the gene, even greater risk factor for Alzmore than 60 percent suffer from heimer's than it is for heart disease. the disorder by that age. In patients
Studying 234 people from 42
with two copies, more than 90 perfamilies afflicted with late-onset cent have the disease by that point. Alzheimer's, the researchers found ple whose two copies of the apoli-popularing one were some combi-nation of either the E2 or E3 varieties. (All genes come in two copies, one from each parent.)

Even inheriting one copy of the E4 gene is bad news, doubling or tripling the risk of Alzheimer's compared with persons having no E4 genes at all.

The E4 variant also lowers the genes, about 20 percent come down The new work demonstrates that with Alzheimer's by age 75. In

The number of people bearing a that those patients with two copies double dose of the EA gene is very of the E4 gene had cight times the small, perhaps two percent of the risk of having the disease than peopopulation, scientists said. But up to 33 percent of people have one copy of the gene.

Scientists emphasized that apolipoproteins are only a part of the story of Alzheimer's, a complex disease in which many physiologi-cal routes seem to lead to the same sorry outcome.

### Scientists said the new study Researchers do not yet know brightly illuminates an otherwise milial forms of the disorder that through the bloodstream. Scientists have known for years the disease, but Dr. Roses says he sheep that tells us where it's worth-that the gene comes in three varieties. About 4 million Americans now that the gene comes in three varieties, and the ies, called E2, E3 and E4, and they effect.

### **Three Mile Island Finishes** Cleanup of 1979 Radiation had been brought into Russia this year from India, Pakistan and Tur-key.

MIDDLETOWN, Pennsylvania

- The last contaminated water from the 1979 accident at the Three Mile Island nuclear power plant has been evaporated, bringing an end to the 14-plus years of cleaning up the damaged unit. An electric-powered evaporator

that has been working off and on for the past two and a half years sent the last puff of tritium-tainted bia — Anthrax bacteria have killed more than 100 endangered buffalo steam up a 100-foot (30-meter) stack and into the atmosphere Thursday.

Since proposing to vent radioactive steam in 1986, GPU Nuclear, Authorities are trying to save an infected herd of more than 2,000 the plant operator, has maintained the release was safe. On Thursday, it said preliminary

rare North American wood buffalo ill with cholera in several Russian in the Mackenzie Bison Sanctuary, reports indicated radiation expo-sure to the public was well within original estimates. Nuclear energy France Presse reported from Moscow, quoting health officials.

Anatoli Monisov, deputy chairman of the state committee on health and epidemology, told a to stay away from the region." critics vigorously opposed the re-

"TMI-2 cleanup is completed."

said Mary Wells, speaking for GPU Nuclear. There is contamination in the reactor building, but it's fixed in the walls. It doesn't pose any threat to the environment. The accident on March 28, 1979, Though you don't speak the language, try to tell the was the nation's worst commercial

32. Linda Salakara, and Canada and Linda and Salakara and Salakara

nuclear power plant accident.
The Unit 2 reactor was de-stroyed, but Unit 1, which was undamaged, was restarted in 1985. The damaged Unit 2 now goes into storage. Fire suppression and electrical systems will be main-

tained until Unit 2 and its operating Unit I twin are decommissioned in 2014, she said. The cost of the cleanup has been put at about \$1 billion.



Your Logo with any 2-flag mix 24K Gold finished • Full colors
 100% U.S.A.-made We'll custom-make any emblem for you! Delivery: 14 business days. Worldwide

Dust off your foreign QUICK language phresebook and look for the page on GERMAN and to see the property "using the telephone" (its right after how to say "We have lost our luggage" and "Stop, (bleff) FOR THE TRAVELER Lank for the mumber of the party mutre trying in call. Get ready to tell them how successful and rehixing your trip 48-551-2515

with log. Poland.

Back of the hotel, ask to see your hith. Notice that hed night entle in Frankii. Regin have the rice a week's pay Bulker than ger an alter see

County restrictions apply where country to country calling is validable. Listing subject to change, the current murburs, customer service or additional numbers, call the Sprint Access Number of the country partie in or 1-800-877-0-349 while in the US. local operator you want to WorldCupUSA94 認言

### TO OUR READERS IN POLAND

cities in the past month, Agence according to Northwest Territories

Hand-delivery of the IHT day-of-publication is now available in these aties: Warsaw, Cracow, Gdansk, Poznan and Wrodaw. Please call: MINI-MAX GMBH Tel: 43 29 46/43 00 28 Fax: 43 00 20

**NEW FALL WINTER** COLLECTION ESCADA'

FAX: (1) 42 84 24 15 Sale on Summer Collection Marie Martine 8, rue de Sèvres,

Paris 6th

Ambassador Lapel Flags®

TIME Co., Inc. 101 Bel Air Drive New Milford, CT 06776, U.S.A. (800) \$35-5255 • Fax (203) 354-2788

#### INTERNATIONAL CLASSIFIED **PERSONALS** TO RENT/SHARE **OPPORTUNITIES** GOING ONCE, MAY THE SACRED HEART OF JESUS PARIS AREA FURNISHED TWICE, SOLDIII be odored, glorhed, leved and pre-served frequency fire world, new and forener. Societ Heart of Jesus, pray-for us. Soint Judy, worker of immodes, pray for us. Soint Judy, help of the hopetess, pay for us. Amer. Say this prayer new hines to day, by the north-day your proper will be consumed. 8 AN ESTONIAN COMPANY & MARIA **NITERDEAN** 7473, Tulkin, EE0036, ESTONIA INTERNATIONAL PARIS LA DEFENSE I REAL ESTATE ART RESIDENCE CARTEL FOR SALE **EXHIBITIONS** acrows 2 or 3-room appartment to reet for 3 days or more. AUCTION SALES FRENCH PROVINCES **COLLECTOR'S** TOO KINS SOUTH TOULOUSE, PURP respond 18th cent house force beams 8 stone, 220 sum, long surface, 7 rooms and 126 sum, conventible loft, F800,000, White to Mr Cale, F45220 Fontroite or tel: 33-62-35 64-43 GUIDES IN SATURDAY'S PARIS-BURGOISNEY HOME PLAZA 50% REDUCTION Near Basile Opera Hotel Suites 1st class 1/5 beds INTERNATIONAL FRENCH RIVIERA HERALD TRIBUNE NAOM TODAY on August 1) from all your friends at the Trib. PAGE 7 74 CHAMPS ELYSEES R. ACROSS THE MILES, a light shares through. It's the light of my heart, shares still have. On your fathfully, and a discade answ My lone and 30 wishes, going out to youl AMLYTA H. LE CLARIDGE FRENCH RIVIERA ST JEAN CAP FESTAT FOR 1 WEEK OR MORE high class studio, 2 or 3-room apartnesses. FULLY EQUIPPED, IMMEDIATE RESERVATIONS Tel. [1] 44 13 33 33 EASTERN EUROPE **AUTOS TAX FREE** AOHIN Hospy Ansversory Darling. One down many more bleaful ones to follow. Lowing you is what I do best overchronouth-construction BRADY. LATIN QUARTER 2 ---- flor in bown house, entrance, lendren, both, stanny, view, hearing. Owner Tel: 1-4354 6569 19. Bid du General Leders 06310 BEAULIEU-SUR-MER 1el (33) 93-01-04 11 Fox (33) 93-07 11 96 house, entronce, inches, both, sanny, new, hearing, Owner Tel. 1-054 6569 INE DE LA CITE. 14-0-room Bot. Light, queet. Tel. 43 23 14 27 or UR 71 584 3556. MARRIS, Most beauthful studio or XVM cent. building, smoll grafen, separate intchen. + both. Tel. 1-42 78 97 87 ONE NAME, ONE COMPANY LEGAL SERVICES US IMMIGRATION-Through Investners, American bronch companes or professional employment. Control: Astorney Edward P. Gellopher - 3 Bethesots Metro CP. (≈750), Bethesots, Md. 20814 (USA) FAK: 201-793, Bethesots, Md. 20814 (USA) FAK: 201-793-3439 FOR LEGAL TITLE OF NOSELTY Eurelia, via Virgilio 22, 80153 C/Morre Santia, Itoly Fine 39-81 8701274 DIVORCE FAST. 325:00. P.O. Box 8040, Analysin. CA 92892. Coll/Fox 914 988-895 USA. WE OFFER TITLE OF COUNT by marrage, doctor's title, boot license. Apply to fice. [+49]-2132-8777 GREECE ANNOUNCEMENTS VARTICOMBS, 16 km, from Athers & near Kiffsina opposite the ex-king's entaite in a becomful & arcticomes, tenced plats of land of 130,000 sq.m. (asher yates upon resuent, 4,000 sq.m. & 2,000 sq.m. ar 135,370 per sq.m. Tal: 301-6718351, 12:30-17:40 & 19:407-21:00 local time. For 301-6679147. Move Plus THE IHT IS NOW REAL ESTATE **YAMAMIE IN MANY** WANTED/EXCHANGE Head Office: World Trade Center Rotterdom, Tak 31 (10), 405 2090 U.S. CITIES ON DATE Roterdom, Tek 31 (10) 405 2090 MOVE Plan - FRANCE Desbordes - PARS (33) 1.42 4.22 64 Demosport - NACE 05/41082 (roll free) MOVE Plan - AUSTRIA Sobola-Vierro (43) 1. 28538 MOVE Plan - NORWAY Mojortom 14/3 1. 5970/0 MOVE Plan - INGUAND Nemon (31) 10. 437 225 MOVE Plan - IRELAND Nemon (31) 10. 437 225 MOVE Plan - RELAND NEMON (31) 10. 437 225 Rendro Rendro - NALAN (33) 1. RESTOIL MOVE Plan - RELAND Geograph (32) 2. 422210 MOVE Plan - SPAIN GI Stouffer (34) 1. 575 984 MOVE Plan - SVITZERLAND Geograph (34) 22-200-600 THE ADDED VALUE IN MOVING URGENTI German studert, for 1 yea at Madrid University, seeks urgently t room apartment. Please make offers t Fair no. (352) 47 46 70 OF ISSUE ITALY printed by satellite transmission in York the freemational Herald ne is an extraped for day-of-cation delivery to your terms or in most areas of the following REDUCED PRICE. Sardinia Villa, on sea. Furnished, 4 bedracen, terms, golf. US\$221,000. Tel. 503/247-0467 Fasu 503/247-4917 USA. Negotiable. URGENTI Sepandiat sucht 2-zimmer wahrung für 1 jahr in Madrid. Ingebate unter Far na: (352) 47 46 70 USA RESIDENTIAL LOW COST FLIGHTS WORLDWIDE. Special departure of the lowest ever discount economy parlore. Credit conds possible. Tel: Paris (1) 42 89 10 81 for 42 56 25 82 DALLY PRIGHTS AT LOWEST FARES to any region North American infl carport. Tel: FT Paris (53-1) 47 04 67 51. **JOHN AUTO SHIPPING** SAVE ON CAR SHEPPING, AMESOO, Kribbest 2, Antwerp Belgium, To/Inon US, Africa, Regular Ro-Ro solling, Free hotel, TI 32/3/231-4239 Fx 232-4353 **TAYLOR** In the U.S.A., coli COLLECTIBLES TOLL FREE Call Menica Barco **AUTOS TAX FREE** EVIS A. PRESISY 1-8-35 to 8-16-77. Own a copy of probated will spread get scorint before his death. 519-95 lamind offering. Send check/money orders lower Cry. Associates, P.O. Box 17622, Memphas 1N 38187-9823 USA. 1-800-882-2884 MA, LA CHOMETTE ORGAN CAMBON CHIEFE TEL. 92 30 85 85 PAX 95 30 TS 55 new TAX-PIZE esed Rongs Rover + Chevrolet + esc. Mercedes + BMW + Audi + esc. Cadillot + Jeep + Jeguer + etc. Some day registration possible renewable up to 5 years In New York , cell THE ADDED VALUE IN MOVING THE MOST EXCLUSIVE (212) 752-3890 ADDRESS IN COLLEGES & THE UNITED STATES UNIVERSITIES ICZKOVITS Affred Escher-Sr 10, CH-8027 Zurich Tel: 01/202 76 10, Teles: 815715. Feb: 01/202 76 30 SARN UNIVERSITY degrees utilizing work, life & occidence experience. For evolution & information forward resums to: Pacific Southern full-versity, 981 W. Pico Blvd., Dept. 121, Los Angeles, CA 90035 USA Herald-Me. Eribune. A.G.S. LONDON (4481) 961 7995 A.G.S. PARIS (23.1) 40 90 20 40 A.G.S. BREILIN (47.30) 421 26 65 A.G.S. PARIS (47.2) 485 7216 A.G.S. WARSAW (48.22) 502 535 A.G.S. MARSAW (48.22) 502 535 A.G.S. ABRUJAN (22.5) 27 78 45 charge magnificent, paracramic views Central Park in New York's most sirable neighborhood. Old world craftsmanship. Large public rooms. Multiple bedrooms. Melicolous attention to detail. ound the clock Concerge servi. OCEANWIDE MOTORS ALID COLLEGE DEGREES BA., MA. MD. P.O. Box 2317, Gretro, LA 70053. FAX: 504-367-2632 USA ince 1972 brokers for Mercedes, BM Persche, GM & Ford, Worldwide delivery, registration & shapter OCM - BERMANY Tersteegenstr B, D-40474 Dusselder Tet (0) 211 - 43464, Fasc 4542120 BUSINESS HOLIDAY RENTALS **AUTHORS** OPPORTUNITIES TOUR DIRECTORS & TRAVEL AGENTS Washedll Earn good commissions sending travelers to a leading USA for maturifacturer. We envit your group or individuals to row our fur factory. Foctory there buying will save your dents at least 50% off restal. Fox 217244-7845 Prone 217-564-0050 USA WANTED Leading subsely book publisher seeks manuscripts of all types: fiction, non-fiction, poetry, scholarly and religious works, etc. New pullners welcome. Send for booklet H-3, Vantage Press, \$16 W 34 St., N. Y., 117, 10001 USA. TTALY ATK WORLDWIDE TAX FREE CARS 1049 Export & slupping + registronon of new & used cors. ATK NY, Terranchie 40, 2930 Brasichant, Belguma, Pisone: 13, 645002; Telen; 31515; Fox; [3] 645/109. ATK, since 1939. UMBRRA/TUSCANY BORDER, Magnificed formhouse with pool, sleeps 10, proclable Sept 4/18, Reduced to £1000 per week, Tel: UK 81 946 2672 FIFTH AVENUE BEAUCHAMP **NANNIES AND DOMESTICS** ALCOHOLICS ANONYMOUS English specifing investings doily. Tel: PARIS (1) 46 34 59 65 or ROME 678 0320 or FRANKFURT 5974265. OFFSHORE BANKS ESTATES MONROE POSITIONS WANTED FEELING low? — heaving problems? SOS HELP crossine in Gretish, 3 p.m. 11 p.m. 1el: Peris (1) 47 23 80 80. 2nd TRAVEL DOCUMENTS. Driving cences, GM, 2 Perildenus, Voulogener Athens 16671, Greece. Fox 8762152 INTERNATIONAL FRIENDSHIPS REAL ESTATE mans imployment consustants Norms and Mohen: Hels available now. Religible / enthuristic, Compatitive rates, Teli UK 273 857085, Fax 273 494842 TO RENT/SHARE short or loop tean contracts. For hill shoults of the person plants of Mrs. ANGELA GREENE EDITH BRIGITTA MOROCCO RABAT: splendid residence for this or top executive. Please with RACHEI, 2 tue Chauka, RASAT. FAHRENKROG SAY YES... TO A PARTNERSHIP THROUGH THE PARIS AREA FURNISHED POSITIONS WANTED INTERNATIONAL PARTNERSHIP-AGENCY NANNES, COUPLES, BUTLERS, Chafs etc. Highly wanted & experienced. Scrippilously vetted. Hutchisson's Employment Agency, IX Lc. SEZZIZI Tel: UK 71 225 5001 Fzz 71 235 6001. GIVE ME YOUR FULL CONFIDENCE. CALL ME EVERY DAY IALO SATSUNI GERMANY, ELKENBACHSTRABE 51. D-60316 FRANKFURT AM MAIN, 3-7 P.M. TEL. (9) 69/43 1979, FAX (9) 69/43 20/66 NOW YOU CAN FIX YOUR APPOINTMENT FOR ROME - AND - NEW YORK Heralde Eribune. EXCLUSIVE INTERNATIONAL OFFICE CONFIDENTIAL FRANKFURT - IN THE HEART OF EUROPE PLANNING TO RUN A CLASSIFIED AD? A YOUNG COSMOPOLITAN LADY. Place your Ad quickly and easily, contact your nearest lift citics or representative with your text. You will be informed at the cost immediately, and once payment is made your ad will appear within 48 hours. All major Credit Cards Accepted. A TOURING CUSTING FOR THE TABLE OF THE ANY AND EAST OF THE STORY OF TH EUROPE STARL: Don Shritch, P.O.B. 99, Hentalyo 46101, broad Tel Aniv. INT'L SUCCESSFUL AMERICAN BUSINESSMAN. MID 4751.84. OWNER OF SEPVERAL LARGE COMPANIES, A MID 4751.84. OWNER OF SEPVERAL LARGE COMPANIES, A DARK HAIRED MASCULINE TYPE WITH A SPORTY. ELEGANT AFFEARMER A SCOESSFUL BUSINESSMAN WITH A TOP BACKEGOLAD. HE POSESSES ATTOERFUL HAMES IN THE PREFERED PLACES OF THE USA AND COTE DIAZUR THES CENTLEMAN IS VERY ROMANTIC AND WARM HEARTED HE HAS A COOD SENSE OF HUNOR, IS INTEPESTED IN SPORTS. CULTURE AND HIM ARTS. HE LOVES THE SUNNY AREAS OF THE COSMOPPULTAN (ADV PLEASE CALL: CO GERMANY (B) 161/263 49 00 on (B) 6843 19 79 Act 101, broat tid Aniv. Tel. 972-9-962345, 972-9-962346, Forcy 972-9-963685, JOEDANN Ferruit Zeufbi, P.O. Box 8117-93, American, Joseph Ref. 624400. The 2027 MICID. SUMMER: Wordy Brief, P.O. Box 6220, Howell, 2020, San Lat. & Forc 2523-465, M. & S. V. Berger, Norway Tel: (47) 55 91 3070. Fox: (47) 55 91 3072. PORTUGAL: W. Sahoo Lda, P.C. Box 1081, 2775 Portugal, Liston, Portugal, Tel.: 351-1-457-7293 Fox: 351-1-457-7352 N & S YEMEN: Shooy (seprem P.O. Box 854, Al Zubniny Street, Al Survivoy Bidg. Sono'o. Tel: 74453, The 2606. CMARE Arms and Beris Malin J. O. Ba 50167 Medical Cabase, Submate of Orian, Tel.: 603420. QATAR: Adel Subm, P.O. Box 3797, SPARK Afredo Umbolit. Doctor Reming, 53-1, 28036 Mediniz. Tal.: 3508789 Fix: 35097257. ELGERN & LIBRENBOURG: Arthur Majumer, c/o lerra, 57 ron 18. Colyrn, B-1060 Brussels. Tel: 343.18.99, 343-1914. Fix: 346-0353. Daho, Gotor. Tel.: 416535/411177. Fee: 412727. Claudia Püschel-Knies GmbH MIZELAND: Marshell Water. P.O. Box 511, 1009 Adv, Switzerland Tal: (021) 728 30 21 Fox (021) 728 30 91. European International First Class Partnership Agency (Over 25 Years of Experience and Know-How) INNEED ARAB BHIRATES: Mr. Rosi Ros P.O. Box 22156, Storpels, United Arab Emeratus, Tel. (00)05/133. Fox: (00,075/4888). Talenc 68-89.4 TRNGF. INTRODUCES YOU TO: AFRICA Beguither Young Prench lodg, late 20's/17\$ who is slim, sporty, and insuspolicy charming St GYPT: Laio Rostom. 10 Gazinet 8 Arch Mohandesine, Colio, Egypt. Tel: 34 99 838 Tbr: 21274 VPCO UN, Fox: 3444 429. Piecese call us under T. (0049) 69-23 93 06 Germany-Frankfurt or (0049) 511 - 32 96 39 Germany-Berlin, dolly 3-7 p.m., also Sal/Sa FAX (0049) 6241 - 74 354. SOUTHERN AFRICA tergie Ogdry, Promotion Phy. I tol. P.C.). Box 130351, Bryaneton 2027, Tel: 706.14.08. The 421059, Fox 706.34.66. MIDDLE EAST N.Y. Grami Seddu, Via Cessela, 6 Milana 20122 Noy. Tel.: 58315738, Fran: 546.2573. ASIAN LADIES seek metroga. Details-ICE BEAKES 545 Ordere Rd, 10-03 For East Shooping Cv. Singapore 0923 Tel 55-728945-Fox 235 JF80 but no brown-eyed y'l Switzerland based handsome and honest, you only. Don't be too sky, 2011 heatone, let 5 hit the judapoi regarber. Repy to Box 2334, I.H.T. 7:521 Meurilly Cadex, France. For investment information, read HE Ŧ

every Saturday in the IHT.



# Hindu Extremist Fans Bombay Hatred

By John Ward Anderson

Washington Past Service
BOMBAY — In interviews with colleagues and critics, in news accounts and in his own words, Bal Thackery, India's most militant Hindu leader, emerges as a man who casts a dark and violent shadow over Bombay.

Earlier this year, when Bombay was a finder-box, many saw Mr. Thackery, 66, as the flint. In front-page editorials in his newspaper, Samna, he attacked Muslims as "anti-nationals," called their neighborhoods "mini-Pakistans" and or-dered his readers to "crush the traitors" and "kick them out."

Then Mr. Thackery, the self-described "supremo" of a radical Hindu nationalist group called Shiv Sena, withdrew to the safety of his home while Muslims, Hindus and police clashed in savage bartles that left more than 1,700 people dead.

A court report last week blamed the inflam-matory tactics of Mr. Thackery and Shiv Sena for the violence. Yet in a recent interview Mr. Thackery denied many of the radical positions attributed to him and his group and accused the press, particularly the Western media, of distorting his views.

Although Mr. Thackery is primarily a Bom-bay politician, his influence extends far beyond the city's modern skyscrapers, squalid shums and 12.6 million residents. His critics accuse leading politicians of being silent accomplices. There are rumors that the gigantic movie industry cuts and censors its films to his tastes.

His diatribes against Muslims find increasing acceptance among middle-class Hindus who believe that the government pampers minorities to win their votes. A wave of Hindu pride has been rising in India since the mid-1980s, and, despite abundant evidence that Muslims remain at the bottom of the social and economic heap, the political center is shifting in Mr. Thackery's direction, with tensions mounting between India's 750 million Hindus and 105 million Muslims.

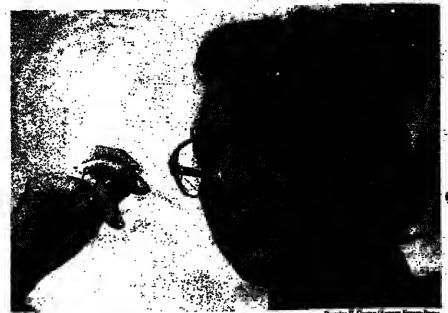
George Fernandes, a member of Parliament and a longtime foe of Mr. Thackery, said that with Hindu nationalism "on the agenda, his politics has incendiary qualities about it, with consequences affecting the whole city, the whole country and the entire economy." A frail former cartoonist with jet-black hair and oversized, black-rimmed glasses, Mr. Thackery said, in a rare interview: "My Hindu-ism is nationalism."

"My fight is against pro-Pakistan Muslims," he added. "The Pakistani extremists, the Bang-ladeshi Muslims and the Muslims staying in this country for years together, giving shelter to them — all these people must be kicked out," Mr. Thackery said. "Even if he is a Hindu giving shelter to these kinds of Muslims, he also must be shot dead."

Such strident statements and their matter-of-fact delivery have won Mr. Thackery many admirers among Hindus who, despite their 7-1 advantage over Muslims, feel oppressed by the minority community.

There have been flare-ups between Muslims and Hindus since 1947, when India was granted independence by Britain and was partitioned, creating the Islamic state of Pakisian. During partition, as many as 500,000 people were killed in clashes between Hindus and Muslims. Since then, the two nations have fought three wars.

In recent years, Indians have been particularly angered by Pakistani support for militants fighting Indian troops in the long-disputed Kashmir Valley. Hindus also complain that



Bal Thackery, Shiv Sena's leader, discussing his policies in Bombay earlier this year.

The Pakistani extremists, the Bangladeshi Muslims and the Muslims staying in this country for years together, giving shelter to them — all these people must be kicked out.

**Bal Thackery** 

Muslims are exempt from strict divorce and

property laws.

The December and January riots in Bombay, however, sparked an unprecedented backlash against Mr. Thackery and his politics, illustrating that in addition to a deep divide between Hindus and Muslims, there is an equally strong Hindus and Muslims, there is an equally strong rift between moderate and right-wing Hindus.

A report released last week by two retired judges from the Bombay High Court found the Shiv Sena "directly responsible" for much of the Bombay violence and blasted the government for its "reluctance" to prosecute Mr. Thackery, who they said triggered the worst rioting with his inflammatory writings.

A court case and a judicial role in the riots.

also focusing on the Shiv Sena's role in the riots. The violence, which followed the destruction of a 16th-century mosque by militant Hindus in the north Indian town of Ayodhya, surprised even Indian leaders. Entire slum colonies were set ablaze. Mobs stopped cars, dragged passen gers to the streets, stripped them, backed them to death, set the bodies on fire and danced over

the flames.

Mr. Thackery, in his interview, denied most of the radical positions and actions attributed to him and his group, accusing the press, particularly the Western media, of distorting his

He said the Shiv Sena - literally, Lord Shiva's Army, named for a Hindu deity — was not responsible for demolishing the mosque in

Ayodhya, though newspaper accounts shortly afterward quoted him claiming responsibility. He denied starting or fueling the Bombay nots, despite his signed editorials in Samma, or Confrontation, which has a circulation of about 200 000

Ho also denied allegations of blacklisting movies, stars and directors, of condoning Hitler's massacre of Jews, condemning all Muslims as traitors and numerous other positions as-cribed to him and his group in press accounts and interviews stretching back more than 25

Mr. Thackery never has run for office, but he often hand-picks Shiv Sena candidates. The Shiv Sena is currently the main opposition party in the state of Maharashtra. Some political analysts say it will be strong enough to form a coalition government with the Hindu revival-ist Bharatiya Janata Party after the next state elections in 1996.

September 1

Rhund

Mary Coll

14893

### · · ·

Despite being in the opposition, Mr. Thack-ery and the Shiv Sena often have been aligned with India's ruling Congress Party, leading many observers to conclude that there is an unwritten partnership between the two that has helped protect Mr. Thackery's position. Mr. Thackery said he does not condone un-

provoked violence. However, he said, violence must be met with violence. "You have to react, you have to retaliate. I believe in constructive riolence," he said. "I am not a Mahaima Gandhi. If Muslims do

this mischief again with Hindus, come what may, by whatever means we have, we will spare

#### U.S. and U.K. Help Nepalese Rebuild Bridges After Floods The Associated Press

KATMANDU, Nepal — A U.S. Air-Force plane flew into Katmandu on Friday with 68 tons of steel panels donated by Britain to re-

build flood-damaged bridges.

Katmandu has been cut off from the rest of the country since flash floods and landstides on July 20 destroyed major bridges on the supply route to the capital.

# Air attacks on Bosnian Serbs?

On-going tensions in the currency market

Clinton's budget — a turning point? China to cut industry purse strings

... news which affects all of us. Shouldn't you be following it daily in the IHT?



Subscribe /1 and save up to off the newsstand price

CALL US TOLL-FREE IN AUSTRIA: 0660 8155 FRANCE: 05 437 437 GERMANY: 0130 848585 SWITZERLAND: 155 57 57

Or send in the coupon below:

Country/Currency	1	+ 2 months FREE	1300	+1 storeth	+ 13 FREE	(check appropriate boxes):
Lueda A	Sch	8,000	200	3,300	1,500	12 months (364 issues in all with 52 bonus issues).
Reigrum	B.Fr.	14,000	100	7,700	4,200	6 months (182 issues in all with 26 bonus issues).
)encaerk	D.Kr.	3,400	1	1,900	1,050	3 months (91 issues in of with 13 bonus issues).
intend	FM	2,400	T	1,500	700	The first is and and formally and the west to come estimate
ranks	F.F.	1,950		1,070	590	My check is enclosed (payable to the International Herald Tribune)
igrationy (mail)	OM	700	2 4 4 5 5	285	216	Please charge my:   American Express   Diners Cub   VISA
* hand delivery	DM	850	10 TO	470	250	☐ MosterCord ☐ Europord ☐ Access
Breet British	2	210	-07. C	118	65	Credit cord charges will be made in French Francs at current exchange rates
inetice.	Dr	75,000		41,000	22,000	
elend	Sha	230		125	68	CARD ACCT. NO.
aly	Ure	500,000	<b>一个男</b> 公司	275,000	150,000	ESP. DATE SQUATURE
ommbourg	LR	14,000	1	7.700	4,200	FOR BUSINESS ORDERS, PLEASE INDICATE YOUR YAT NUMBER
letherlands	R	770		420	230	
orwey	N.Kr.	3,500	1. 60 Mg 2. 3	1,900	1,050	(Int YAT number: PSV-47320211261)
paga paga paga paga paga paga paga paga	Esc	47,000	i 🗪 🕾	26,000	14,000	☐ Mr.□ Mrs □ Miss FAMEY NAME
	Plas.	48,000	7,117	28,500	14,500	)
	Plas.	55,000	1 m	27,500	14,500	\
	S.Kr.	3,100	A Park	1,700	900	FRST NAME
	S.K.	3,500	100	1,901	1,000	
	S.Fr.	610	-	338	185	PENANENT ADDRESS: [] HONE [] BUSINESS
Nest of Europe. N. Africa, former Tench African, Middle East		630		345	190	
iun States, Asia. Comical and Sauth America	\$	780		430	236	A
inst of Attick	- 1	990	The second	495	270	CITY/CODE
For information concernin Germany at 0130-84 85 For Madrid, hand-delivery	85 Or 10	bs (069) 69.46	8.94. Plable do n	act include free	6 <b>100</b> 0e5,	COUNTRY

حكدًا من الأصل

# New PLO Status of Palestinian Envoys

JERUSALEM — Israel, opening the door to direct talks with the Palestine Liberation Organization, said Friday that it would keep talksain r may the it would keep baking to Palestinian peace negotiators
even though they had been appointed to senior PLO positions.

Faisal Husseini, the overall head of the Palestinian peace team, Hanan Ashrawi, its spokeswoman, and Saeb Erekat, a senior delegate returned home from Tanis after being appointed to a PLO committee steering the 21-month-old negotiations with Israel.

To bell to a pulled

The second secon

The state of the state of

----

elen (ili., till)

1.55

1 . . .

··· ----

The Contract

Friend To

an Sen

0115

sarket

rning

mrse st

\*\*\*

\*\*."

The PLO has directed the Palestinian team behind the scenes. But the appointments, ending a weak-long internal leadership crisis, were the first ever to senior PLO positions for Palestinian negotiators.

Foreign Minister Shimon Peres said the appointments, announced in Tunis on Thursday, were some-thing of a "gimmick" and did not change the nature of the Middle East peace talks, due to resume at the end of August.

"There is a Palestinian delegation with which we are negotiating." Mr. Peres told Israeli radio.
"Its relations with Tunis are its
matter. It's a bit of a gimmicky matter. It's an effort to resolve a

"They're improving or changing their internal relations," he said. "For us it doesn't matter. It's the same members of the delegation,

#### Czech Tourists Slain in Paris

Remers PARIS - Two Czech tomists who slept overnight in a Paris square were found dead in their sleeping bags with their throats slit, the police said. The bodies of the man and woman were discovered by a city gardener in Marseillaise Square in the working-class 19th

the same names, the same people, the same procedure. We knew even

before who they were consulting." Mr. Peres said largel was talking not to the PLO but to a delegation from the occupied territories.

There has been no indication that there will be any changes in the makeup of the Palestinian delegation, but now, seven of the 14 members will openly represent the PLO. All 14 delegates are from East Jern-salem and the occupied West Bankand Gaza Strip. Israel has gradually softened its ban on PLO contacts in the 13

months since Prime Minister Yitzhak Rabin's more dovish Labor Party, at the head of a leftist coalition, took power from the hard-line Likud party of former Prime Min-ister Yitzhak Shamir. At a news conference in Jerusa-

lem, Mr. Husseini declined to say that he was a PLO member now, but he suggested that Israel was edging closer to direct talks with the Palestine Liberation Organiza-

"I believe that what is going on is preparing the ground for direct ne-gonations between the Israelis and the leadership of the PLO," he said.

Previous Israeli governments banned any contacts with the PLO on the grounds that it was a terrorist group beint on destroying the Jewish state. This year Israel allowed private

citizens to hold contacts with the PLO and in July, Mr. Rabin approved a meeting between his envi-ronment minister and a senior PLO official so long as it was not viewed as a government mission.

Mr. Shamir, whose government began talks with the Palestinians in Madrid in October 1991, said that Israel was not obliged to negotiate with what he called "the murderous PLO." Before the negotiations were convened, he insisted the PLO not be officially represented at the (Reuters, AP)



A UN civilian policeman, accompanied by a Malaysian Marine in a UN patrol boat, bending to check a boat for weapons in northwestern Cambodia on Friday after a nearby massacre of ethnic Vietnamese. Klumer Rouge guerrillas are suspected in the attack.

# Khmer Rouge Spurns UN Peace Appeal

PHNOM PENH — The Khmer Rouge guerrilla group rejected an appeal Friday from the UN peacekeeping chief in Cambodia to stop inciting violence against ethnic

The Khmer Rouge president, Khieu Samphan, told the bead of the United Nations mission, Yasushi Akashi, that the Khmer Rouge had to address the problem of the Victnamese because the UN mission had failed to do so.

Under the terms of a 1991 peace accord signed by Cambodia's war-ring factions, the UN mission was to verify the withdrawal of all for-

troops remained behind after Vietnam ended its 11-year-long occu-pation of Cambodia in 1989.

"Obviously they did not verify the withdrawal of Viennamese from Cambodia," Khien Samphan said on Khmer Rouge radio Friday.

"Under these circumstances, the nation and the people must depend upon themselves to protect their lives and their lands. The Cambodian people must struggle against

But the Khmer Rouge asserts than 100 ethnie Vietnamese in attacks on their forces in the Stung that thousands of Vietnamese Cambodia during the 17-month- area of Kompong Thom Province.

It stepped up its attacks in March and April, causing an exo-dus of tens of thousands of ethnic Vietnamese across the border into UN and Cambodian government officials said Friday that gov-

erament troops had conducted a counteroffensive on Khmer Rouge strongholds in central Cambodia, reportedly killing 18 guerrillas and capturing some 75.

A general in the Cambodian The Khmer Rouge has been forces said that government troops blamed for the killings of more had responded to Khmer Rouge

repelling them about 50 kilometers north to Krayia.

His version was substantiated by a diplomatic source, who said that Khmer Rouge guerrillas closing in on the town of Stung and National Route 6 over the last three weeks had displaced 5,000 Cambodians with a heavy artillery campaign.

A UN military spokesman, Lieutenant Colonel John Weiland, confirmed that government troops had attacked guerrilla strongholds early this week in the Krayia and Sakream districts of Kompong Thom Province. (AP, AFP)

# Teams Work to Free 60 in Thai Hotel

gled Friday to free about 60 people trapped in the wreckage of a six- floors. story hotel that collapsed in northeastern Thailand, killing at least 39 people and injuring hundreds.

Link JORA

The trapped survivors, using telephones, warned rescuers struggling to reach them to move cautiously to avoid further cave-ins.

Officials had interrupted rescue operations late Friday when the first warnings from inside were phoned out. About 30 workers using only hand tools resumed their efforts after midnight and brought 16 people out alive. Air was umped in to survivors.
The official death toll from the

collapse of the Royal Plaza Hotel in this city, also known as Korat, 250 kilometers northeast of Bangkok, stood at 39. It did not include additional bodies seen in the ruins but not yet recovered. Officials said 276 people suffered serious injuries and 70 received minor injuries.

"There are so many dead bodies we can see, but we are concentrating our efforts on helping the living," Police Sergeant Suwat

The national police chief, NAKHON RATCHASIMA. Sawasdi Amorowivat, said he sus-Thailand - Rescue workers strug- pecied the collapse was connected to work in 1990 to add three top

> A police official, Chalong Kingchakaew, said the hotel was being renovated when it collapsed. Other officials said builders had been working on the addition of a sev-

enth floor. Rescue workers said bottles of oxygen and water had been passed down to isolated groups of survi-

Nurses at one hospital said a Western woman and a Japanese woman were among the dead. But official death lists carried only Thai

Twenty-seven foreigners were registered at the 134-room hotel, including 13 Americans, 8 Japa-nese, 2 Britons and a Swede.

The collapse occurred at midmorning as hundreds, including a group of teachers, were attending meetings in the hotel. According to one report, 60 employees of Shell Oil Company were in the building.

The local radio reported that the engineer in charge of the construc-tion of the additional story was under police detention.

### Hosokawa Shuns Shrine, Cites Past 'Controversies'

TOKYO - Prime Minister Morihiro Hosokawa said Friday he would not visit a war shrine on the anniversary of Japan's defeat in World War 11.

There have been many controversies over this in the past and I must be very careful." Mr. Hosokawa said in Kagoshima, in southern Japan, on a tour of flood-damaged areas. "Therefore I will refrain from making a visit."

Mr. Hosokawa's deputy prime minister, Tsutomu Hata, has said he might make the visit to the Yasukuni Shrine on Sunday, the 48th anniversary of Japan's surrender, as a private citizen, Several other ministers in Mr. Hosokawa's coalition government

were expected to make pilgrimages but only one, Farm Minister Eijiro Hata, has said he would pay homage to the military dead enshrined at Yasukuni in his official capacity. The Yasukuni Shrine, in central Tokyo, is a Shinto repository for the souls of Japan's 2.6 million war dead, including the wartime

prime minister, General Hideki Tojo, and five other leaders considcred war criminals. Among Japan's Asian neighbors, visits to the shrine by Japanese politicians are interpreted as signs that the country's leaders feel no

remorse for Japanese military aggression during World War 11. Mr. Hosokawa, whose coalition government took over this month after 38 years of rule by the Liberal Democratic Party, said earlier this week that World War 11 "was an aggressive war and a wrong

In South Korea on Friday, riot police scuffled with protesters in Scoul who were trying to enter the Japanese Embassy to demand compensation for Koreans forced to serve as prostitutes for the Japanese Army during the war. (Reuters, AFP)

### For the 'Rhodies' Who Stayed, Zimbabwe Resembles Paradise their ancestors' land was stolen by English settlers a

By Paul Taylor Washington Post Service

HARARE Zimbsbwe -- Except for the government's latest drive to seize commercial farms, sporadic shortages of everything from medicine to toothpaste, last year's national power outage, endless lines at government offices, an AIDS epidemic and free-falling currency, nary a burn word about this country passes the lips of old Rhodies.
On the contrary, most Rhodies—as whites here call themselves from the country's colonial name, Rhode

sia — seem convinced they are living in a paradisc.

It is a perception that offers an odd glimmer of hope. about race relations in Africa, and may provide solu

next door in South Africa, where whites fret about life after black liberation, as Rhodies did in the late 1970s. "I was sure that fixing squads would be out," Bever-ly Tilly recalled, upon learning in 1980 that Robert Mugabe, the Marxist black guerrilla leader, had be-come the first prime minister of Zimbabwe. "That's

what the white government had us believe." A former civil servant, she publishes four small magazines and chuckles at her misappreciensions. She considers Zimbabwe "paradise" compared with the last days of Rhodesia. "Back then, during the war, I'd have to carry a gun with me everywhere - to the kitchen when I cooked dinner, to the bathroom when I used the toilet. Now I sometimes don't even lock the

Paul Webb agreed. "You'd have to pull my toenails ont to get me to leave," said Mr. Webb, a savings and. loan executive and one of the 90,000 Rhodies who

strick around, while 180,000 emigrated, many to South

The stay-putters have been largely vindicated. To be sure, their lives are peppered with new inconveniences and uncertainties, especially now that Mr. Mugabe has set out to make good on the central promise of the liberation war by redistributing land from predominantly white commercial farmers to land-hungry black peasants. But in most ways, the laid-back life of whites — an economic elite who make

What whites have lost in political clout, they have more than made up as a pressure group and business lobby.' Jonathan Moyo

nolitical science professor, University of Zimbabwe

up less than I percent of Zimbabwe's population has never been better.

Whites describe an astounding absence of racial animosity in a country that waged a two-decade racial war before 1980. "I'm not sure we deserve it," said Mr. Webb, referring to the era when Ian Smith's whiteminority government broke away from the British Commonwealth and became a parish nation. Some whites credit the lack of bitterness to the

try's dominant tribe. Others say it is because the hardcase white racists all left. Others say the English who settled Rhodesia always treated black Africans hetter than the Afrikaners south of the Limpopo River. On the economic front, a country that has been hit

by two severe droughts in 10 years still has a surprising mber of white farmers who show up for agricultural shows in late-model Mercedes-Benzes. And those whites not running profitable farms are running most of the rest of the economy.

remarkable because the clock has already run out on a web of political safeguards that whites negotiated in the late 1970s in yielding to majority rule.

The pampered quality of white life is all the more

"What whites have lost in political clout, they have more than made up as a pressure group and business lobby," said Jonathan Moyo, professor of political science at the University of Zimbabwe.

There is certainly much to complain about. The bureaucracy has tripled in size under black rule; the currency has lost more than 90 percent of its value. and heavy borrowing and profligate spending have forced the government to accept a painful, lenderinduced structural-adjustment program.

Lots of things do not work as well as they did, including the coal-powered electrical plant that sup-plies energy to much of the nation. After nationwide blackouts, Mr. Mugabe's government had to swallow its pride and hire South African technicians to fix it. But the real irritant for whites is land, an emotional

issue in a country whose black inhabitants charge that

Immediately after taking power, Mr. Mugabe promised to resettle 162,000 black families on land his government was to buy at market prices from willing sellers. Everyone agrees the initial resettlement pro-

Blacks say white commercial farmers ripped off naive or corrupt bureaucrats on land prices, leaving the government without enough money for infrastructure needed to resettle farmers. Whites say the government gave plots to the wrong people - soldiers and refugees rather than real farmers. Either way, fewer than 50,000 families were resettled, and far fewer never made a go of it.

not least a tribal war between the Shona and the Ndebele in the 1980s that claimed thousands of lives. But he has returned to the land issue with a venecance. Last year the effectively one-party legislature passed a bill giving the government the right to seize land at its own price. In April the government designated 70 commercial farms, covering about 450,000 acres, for scizure.

■ Mugabe Charges Pressure on Farmland Mr. Mugabe accused the United States, Britain and Canada on Friday of pressuring him to abandon his policy of forcibly huying white farmland to resettle

plack peasants. Reuters reported from Harare. He said at a rally in western Zimbabwe that white farmers had secretly lobbied the three governments to support their opposition to the redistribution plan. "We have to stand firm on the land issue," he said.

105 Begged

115 WHAT

118 Posada

DOWN

2 Corrida

3 Armenian

- de Beaujeu a daughter of Louis XI

5 Bk. of the Bible

& Angry carrine.

capital

7 Shrubby

9 First U.S.

10 Arctic explorer

and family

11 Obtain justly

13 Nobelist in

14 Pontiff's garb

16 Repository:

15 Mary Baker and

17 Put through the

12 Wean

wastelar

### **Indonesia Trims Sentence** Of Timor Guerrilla Leader

New York Times Service

BANGKOK - The Indonesian wernment said Friday that President Suharto had decided to reduce the sentence on José Alexandre Gusmão, 47, the leader of the Freulin separatist movement in the ladonesian province of East Timor, from life imprisonment to 20 years.

Mr. Gusmão bad received the sentence in May after he was found guilty of rebellion and firearms possession after a trial in East Timor, a former Portuguese colony. that was described by human rights organizations as blatantly unfair. A government spokesman said in

Jakarta that Mr. Gusmão, better known in East Timor by the alias of Xanana, was granted the reduction in his sentence "hased on the consideration that Xanana has acknowledged his mistakes and has accepted East Timor's integration into Indonesia." The spokesman would not com-

ment on speculation that Mr. Suharto's decision had been influenced by international condemnation over the trial and over Indonesia's larger human rights record in East Timor, which was invaded by Indonesia in 1975 and annexed the following year.

# Italy Bars 'Guerrilla Tactics' in Somalia

By Keith B. Richburg

Washington Past Service
MOGADISHU, Somalia — The commander of Italian troops in Somakia said Friday that he was removing his forces from the capital because of disagreements with the United Nations' methods and philosophy in the guerrilla war with the fugitive warlord General Mo-

ammed Farrah Aidid. The commander, General Bruno Loi, said: "It started out as a humanitarian mission. It must remain a humanitarian mission."

It was the first open break within the ranks of the United Nations troop contingent in Somalia. Since the United Nations accused General Aidid of orchestrating ambush attacks in June that killed 24 Pakistani peacekeepers.

the warford has become the target of a manhunt and he has in turn launched a campaign of urban ter-rorism against UN troops. General Loi said that since UN

civilian officials had closed off the option of negotiating with General Aidid, the only way to defeat him in an urban guerrilla war was "to use the same means that the guertillas use," something General Loi said Italy was unprepared to do.

The general said that the Italian move from their current zone of

operation on the northern side of the divided capital was a "rede-ployment," not a "withdrawal," and would be effective early next month. He said the 800 Italians in Mogadishu would join other Italian troops in the relatively peaceful north-central region of the country.

Italy, the former colonial power too unwilling to take orders from in Somalia, has long believed it had the multinational UN command. a special relationship with the So-mais and could use dialogue in-In an interview Friday, the chief

stead of confrontation. But that behef seemed shattered in July when General Aidid turned his terrorist tactics on the Italian troops, killing three and wounding 30 others in an That attack evoked intense soulsearching in Rome about the nature and course of the operation,

and put Rome on a collision course ish his armed faction. Mr. Howe said that he had done with the United Nations over Itah's demand for more operational control of future military actions.

American and UN military officials said privately that they were not upset to see the Italians leave the capital, since they considered them unreliable allies at best, and

UN envoy in Somalia, Jonathan T. Howe, a retired U.S. admiral, disputed suggestions from relief agen-cies, the Italians, and others that the United Nations had veered away from its original humanitarian mission and was instead engaged in a militaristic obsession to hunt down General Aidid and pun-

"a lot of soul-searching" before deciding on a military option against General Aidid Iollowing the June 5 ambush of the Pakistanis. "I regret we had to be put in a

position where force was necessary to use," he said.

21 ROAD VEHICLE

24 Gauntles 25 Honduran island 27 In baroque style 28 Hostess

29 81G JOB FOR I.I.WATER 31 First-discovered usterold ---- volens (willy-nilly)

ACROSS

MAP?

59 One of the

60 John Drew

61 Figure skater Midori ---

omnis divisa.

63 Beckett's ---

64 Danube gorge

68 Certain players

Schwarzkop

central Europe

71 City and river in

75 Commining gold

GIBSON HATCHED

UNDER? NO.

PEEKSKILL

- for words

80 Byrnie, e.g.

83 Brit. standby

84 Interstice

85 Western exhibitions

70 New title for

72 Colombian

78 WAS MR.

66 Jennet

62 Gallia --

58 Mansard

1 Sees red

7 Grimalkin

10 Obstacle for

sleeping princess

13 Souffle, e.g.

16 Contemning

23 WHY IS DR

19 Coast

34 Harass Tennis terri 39 Legions 41 --- 65120 42 Chung's co-anchor 47 Shoe-front

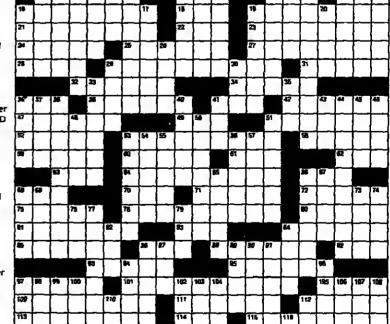
reinforcemen

86 Gunpowder, for 52 N.L home-run 88 "Ad astra per leader: 1947-52

Solution to Puzzle of Aug. 7-8

## BAEDEKER BADINAGE By Jack L. Steinhardt

#### 92 Endeavor 93 Chilean coins 95 Attributes



# TERROR: A Police Scandal Gives Germans a Close-Up on a Quiet War

Continued from Page 1

several attacks against private and government DEODESTY. For most of this time, Mr. Steinmetz was also a police informer, apparently recruited after he was arrested for peny crimes. Detectives monitoring radical groups in the area found his information useful, but it was only last year, after he received an extraordinary offer from the Red Army Faction, that he become one of the most important police informants in mod-

em German history. Red Army leaders had responded favorably to a January 1992 imitiative by Justice Minister Klans Kinkel, now foreign minister, urging them to call off their killings in exchange for better treatment and possible early release for jailed comrades. They issued a statement pledg-ing to stop killing "leading representatives of the economy and the state" while they awaited

further government moves.

As part of their developing new strategy, the Red Army Faction decided to establish ties to militant leftists who lived legally and were not togaged in terrorism. In a series of clandestine meetings, Mr. Steinmetz became the first such In February 1992, Mr. Steinmetz traveled to contact

a police agent had been accepted into the Red Army Faction's inner circle. "The detectives were electrified," Der Spiesel

reported after the operation collapsed. "They had tried many times to place a spy in the core of the RAF, but had never come close to succeeding. Their man Klaus did it." Mr. Steinmetz met Miss Hopefeld once more

and also met other Red Army members, reportedly including one who is wanted in con with the group's last two victims, Alfred Herrhausen, chief executive of Deutsche Bank, and Detley Karsten Rohwedder, head of the gov-ernment agency charged with selling off formerly state-owned companies in Eastern Germany. It was from those contacts that Mr. Steinmetz learned of plans to blow up the prison near Darmstadt.

On June 27, Mr. Steinmetz traveled to the East German town of Bad Kleinen for a third meeting with Miss Hogefeld. Another wanted Red Army member, Wolfgang Grains, was also present. The three met at the local train station. them GSG-9 commandos, had been posted in and around the station. Agents quickly wrestled Miss Hogefold to the

and as they walked through an underground passageway, the police opened their assault. It was later revealed that 54 police agents, most of

ground, but Mr. Grams fled up a flight of stairs.

other, Michael Newrzella, 25, was killed, Mr. Grams was not kit, and police agents managed to subdue him on one of the station's tracks. Twenty-two witnesses have reportedly testi-fied that agents held Mr. Grams immobile for about 20 seconds, and that one of them then shot him through the temple from a distance of about 2 inches; Unlike many other Red Army members, Mr.

Grams was not wanted on charges of commit-ting terrorist acts, but only of belonging to a terrorist organization. Within days after the assault, the full extent of the fiasco became clear. One GSG-9 agent had been killed, another had apparently killed a

defenseless prisoner and police had lost the best

chance they ever had of penetrating the terror The subscipient finger-pointing not only cost Germany's interior minister and chief prosecutor their jobs, but also sparked calls for a thorough reorganization of the country's various police and security agencies.

For their part, Red Army leaders appear

#### 53 MAW! WHERE'S THE R.L. ROAD



19 Goodies for 20 Bolognese boniface

30 Liberian group 33 Maureen and 35 NOW cause

36 One of the 37 Type of cloth 38 ONETIME HERMITAGE

43 Aunt, in Avila

40 Old Nick 41 Fabulous bird 44 PRODDING BY POLYNESIAN

51 "Push!" in 53 Light refractors 54 Elevated 55 Central

48 Kind of period or

home 48 Mother of the

fingerprint ridge 56 He cashes forged checks 57 Poetically perpetuat teraeli coin: Var

68 Flower from the

67 Positive

66 Agri Dagi, to Turks

86 —— -à-gauche a Frenci wrench) 87 Feminine Plaisirs et les

69 Landau or

ohaeton 73 — me langere

74 Biblical Syria

76 Insel, to a

77 Pull logether

82 Calais-to-Paris

79 Bandeau

84 "Fedora"

91 Oriemal

Larry

94 Moe, Curty of

highlight 104 Central Tex. 106 Roman poet: A.D. 39-65

107 Issue violently 108 Congressman's concern: Abbr 110 Claire and Batin 112 General idea

96 Blondie, to Dagwood

carful

97 Cheerful little

98 "--- of such a thing ...": Shall

99 Alien chaser

100 Tidings

102 Amorino

103 Ammonia

116 Song ----.
Vietnamese

Paris to meet Birgit Hogefeld, a Red Army, member whom the police had been luming for In a shoot-out in which 44 shots were fired, one GSG-9 agent was senously wounded and anyears. Their conversation marked the first time

ready to resume the terror campaign to which they called a halt last year. "If you don't allow us, that is, people who are fighting for a humane society, to live, then you must understand that your clites also cannot live," the group said in a statement after the Bad Kleinen shoot-out, "Even if it is not in our interest, war can only be answered by war.

# Herald Tribune

# Time for Castro to Resign

A telling new appeal has been made for President Fidel Castro to resign and to allow of post-Castro Cuba as a socialist state has Cuba to work out its destiny democratically. The appeal does not come from the Cuban people, who are still prevented by the Communist dictator from expressing their basic political rights. But the source is still reputable and authoritative: the mostly Latin and Caribbean elected officials who signed newspaper advertisements in Colombia while Mr.

Castro was visiting there.

The signers cannot be dismissed, in the customary Castroite rhetoric, as lackeys of American imperialism. They speak for demo-crats and for a region where Cuba's defiance of democratic and human rights aspirations makes it a conspicuous post-Cold War anom-

aly. Resignation, with exile in, say, Spain.

Mr. Castro's determination to hold on to
power cannot he lightly dismissed. In changing regional and international circumstances. however, resignation becomes an ever more patriotic and positive option for a man who professes to be a stout nationalist but whose forcible and illegitimate tenure constitutes his country's single greatest obstacle to a stable and productive future. With Moscow's pa-

already been rendered entirely implausible. Change is ensured. But what kind?

A peaceful transition requires the dictator's prompt and orderly departure in order to ease the pressures now building among his repressed citizens, pressures that otherwise threaten chaos and even civil war in a Castro succession.

The United States will inevitably be a player in a Cuban transition. We have mentioned the need to start re-examining the American embargo to make the transition less burdensome to the Cuban people and to ensure that the responsibility for the country's miserable standard of living falls where it deserves: on Fidel Castro. It would similarly undercut a favored Castro practice of blaming the United States if Washington were to take concrete steps demonstrating its intent not to intervene in post-Castro Cuba militarily or pobtically. To treat another Cuban grievance, the United States should also be considering how to deal back the American base at Guantánamo. By such means Americans can best prompt Fidel

Castro to let his country go free. -THE WASHINGTON POST.

## A Death-Laden Crime Bill

President Bill Clinton's crime bill is larded with provisions providing the death penalty for nearly 50 new offenses. That is the bad side of a bill that is constructive in other respects. Crime is one of the most difficult issues in American national life. Federal government officials are held accountable for the street crime that most frightens citizens, but most of the action against it is at the local level. This makes much of the national talk about crime empty.

Mr. Clinton's proposal is built on last year's crime bill and addresses practical things the federal government can do to assist law enforcement. This includes the badly needed Brady bill, which requires a five-day waiting period before purchase of a handgun. This measure should be separated from the rest of the bill and passed swiftly. The president took a belpful step in signing an executive order expanding the ban on the import of assault-style weapons. Even better would be a push to ban the domestic manufacture of these weapons.

Drawing on a proposal from his campaign. Mr. Clinton calls for \$3.4 billion in federal spending over five years to put 50,000 new police officers on the streets. If national politicians want to do something real to help local governments fight crime, this surely qualifies. overnments fight crime, tms suresy quantum Mr. Clinton would also increase federal support for community policing initiatives, which put the police in closer contact with the neighborhoods they serve. The bill would expand community boot camps for youthful offenders, establish a police corps to draw college gradu-

ates into law enforcement and give more feder-al help to schools disrupted by violence. Unfortunately, too many politicians believe that unless a federal crime bill contains a lot of death-penalty provisions, it would not look "tough" and therefore would not be worth passing. This bill oot only provides a slew of new death penalties but also limits habeas

corpus appeals in death-penalty cases. A better way to clear the courts of deathpenalty cases is to abolish the death penalty. Yes, capital punishment is popular, and Mr. Clinton's support for it was seen as a political asset in last year's campaign. What is sad is not that some citizens are so outraged by crime that they support capital punishment. but that politicians pretend that putting more people to death will actually make a large dent in the crime problem.

-THE WASHINGTON POST.

# Helping the Neighborhood

The Community Reinvestment Act was give money to the community development passed in 1977 to direct more commercial bank organizations because their sole purpose is to loans into poor communities. It has not worked well. Community organizers have been frustrated by the legal roadblocks thrown up by the banks. The banks resent expensive paperwork. Meanwhile, distressed neighborhoods wilt.

million fund to lend money and expertise to community institutions — such as community development banks and other nonprofit organizations — dedicated to developing poor neighborhoods. After these organizations put up matching funds, the proposal would generate about \$2 billion in new loans.

Community organizers say they need more, say \$15 billion. Commercial banks object that the plan makes them ineligible for the federal money. Yet Mr. Clinton is wise to sidestep commercial bankers, who have shown that they do not want to lend to credit-risky homeowners and small businesses. Mr. Clinton prefers to

O.K., this clinches it. It's the water in the

Potomac River. That water goes into reservoirs

spur development in poor neighborhoods.

But he still has to find enough money to make the program effective. Here's where he

could turn to the Community Reinvestment Act. Some Democrats and Republicans in Relief may now be in signt. The change administration has proposed a new way to channel credit into blighted communities. It has also promised to re-examine the reinvest-of lending it directly to risky individuals and of lending it directly to risky individuals and banks would save themselves huge legal expenses designed to prove they are complying with an act that they now mostly sidestep. The community gets the capital it oceds.

Community organizers will oppose allowing banks to ignore the act even though their 16-year effort to bold the banks to its terms has produced little success. But they should grab the far more challenging opportunity Mr. Clinton offers them: the chance to direct a fresh infusion of federal funds to people and businesses in need.

- THE NEW YORK TIMES.

## A Dose of Eau de Potomac

around Washington. Some of it reaches Congress and we get the federal budget. Some is obviously affecting the people in charge of President Bill Clinton's image. And most clearly, a big dose of eau de Potomac has been abibed by senior Marine Corps officers sitting in front of word processors in the Pentagon.

So the Marine generals decide they will take only unmarried recruits. This is too rich. Even the Roman Catholic Church is thinking that a

singles-only recruiting policy has not worked all that well. The beauty part was the plan to have Marine Corps officers conduct "marriage awareness training" before the newly inducted recruit would be allowed to take a spouse. This news has every stand-up comic and gag writer in America in a feeding frenzy. But oone could have ontdone the gag lines in the directive itself, describing what would happen in these awareness sessions.

It is an opportunity for the Marine to get

counsel on one of the single most important decisions of his/her life and benefit from the advice of seasoned Marines who have experienced military family life."

You have to love the idea of "seasoned Marines" conducting psychobabble sessions.

"Lance Corporal Him/Her, marriage is pretty much a beach assault in heavy sea conditions even if you don't wear this uniform. But try it as a Marine and you'll be pinned down by enfilade fire for years. So take it from a hardened veteran of military family life, it is better to march than to marry. And hey, trooper, let me help you with that Dear John/Joan letter. I've busted up a hundred of these madcap schemes." The commandant, General Carl E. Mundy

Jr., reportedly backed the zero-matrimony campaign, but be prudently said the directive had been issued without his knowledge. It also seemed to sneak up on the secretary of defense and the commander-in-chief, who was hoping to get off on vacation without another Supid Pet Trick. David Gergen, that plastic surgeon of untoward presidential moments, said the president was busy bragging on an army general when the Marines ran amok. When Mr. Clinton got back to the Oval Office, why he had

ever, never, never, ever been so astonished. So, no harm done. Defense Secretary Les Aspin, recovering from his own bout of astonment, reversed the marriage ban. We can only say, Flow on, intoxicating Potomac. And thank Providence that Washington got his

inspiration along the Delaware, - THE NEW YORK TIMES.



International Herald Tribune

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chumen

RICHARD McCLEAN, Publisher & Chief Executive JOHN VINOCUR, Executive Editor & Vice President

• WALTER WELLS, News Editor • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, Deputy Editors . CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE. Editor of the Editorial Pages • JONATHAN GAGE, Business and Finance Editor • RENÉ BONDY, Deputy Publisher • RICHARD H. MORGAN, Associate Publisher

Durecteur de la Publication : Richard D. Simmons

International Herald Tribune, 181 Avenue Charles de Gaulle, 92521 Neutily-sur-Seine, France.
Tel.: (1) 46:37:93:00. Fox: Carochain, 46:37:05.51; Adventising, 46:37:52.12.
Editor for Asia: Michael Richardson, 5 Canadrany Rd., Singapore 0511. Tel. (65) 472-7768. Fox: (65) 274-2334 Editor for Asia: Michael Richardson, 5 Contentury Rd., Singapore (OH. Tel. (60) 472-7784. Fax: (65) 274-2334

Mag. Dir. Asia. Roif D. Krunepuhl, 50 Gloucester Rd., Hong Kong, Tel. 861-0016. 361-3013

Mag. Dir. U.K., Gerry Thome, 63 Long Acre. Landon WC2. Tel. (071) 836-4802. Fax: (071) 240-2254

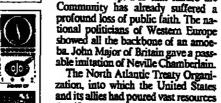
Mag. Gennany: W. Lanethack, Friedrichstr. 15, 60323 Frankfurth Tel. (089) 72-67-55. Fax: (089) 72-73-10

Gen. Migr. Gennany: W. Lanethack, Friedrichstr. 15, 60323 Frankfurth Tel. (089) 72-67-55. Fax: (089) 72-73-10

Pres. U.S.: Michael Convox, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Fax: (212) 755-8785

S.A. av capital de 1.200.060 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

C 1093, International Herald Tribane. All riches reserval. ISSN: USM-8052



# Heed a Russian 'Cry of Despair' in Estonia

MOSCOW — Uotil recently few Europeans had ever heard of Narva, a small Estonian town at the border with Russia in which ethnic Russians make up over 90 percent of the population. Today this town symbolizes one of the most serious challenges to European stability. At issue is the status of national minorities in the newly independent states of the former Soviet Union.

The prevalence of the Russian-speaking population in oortheast Estonia has a historical background. Many Russians were born in Estonia and bave never left its territory. They have oothing to do with the crimes committed by Stalin's regime. Nor did they have anything to do with the secret protocols which in 1939 laid down a foundation for Stalin and Hitler to decide the destiny of the Baltic states. Indeed, when a move-ment aimed at establishing democracy and regaining independence emerged in Estonia, the majority of Russians took its side.

These people did not have even a slightest idea that one day they would be suddenly declared aliens in their own country. Let a European reader put himself in their place and think about what Russia's response should be.

The present Russian leadership could hardly

be suspected of any ill will regarding the Esto-nian republic. I can attest to the fact that Presi-dent Boris Yeltsin was the first to speak out in support of independence of the Baltic states when the anthorities of the former Soviet Union were trying to suppress them with the help of tanks. I was also present when, immediately after the failure of the August 1991 putsch, the Russian president signed decrees recognizing the independence of Latvia, Lithuania and Estonia. In 1991, Russia and Estonia signed a treaty establishing a principle of choosing and obtain-ing citizenship with oo restrictions imposed. But velopments have taken quite a different turn. By a stroke of a pen, the majority of Russians were deprived of the right to Estonian citizenship

rights. A third of the country's population has been denied representation in parliament.

One discriminatory law has been followed by another. The local administration election law has deprived Narva's resident noncitizens of the possibility of nominating their own candidates for the local administration. The education law, while not yet in force, has significantly limited children's opportunities to be instructed in their native lanpuage. Another law has declared all noncitizens of Estonia aliens. Ironically, this law was passed immediately after Estonia's admission to the Council of Europe. Instead of encouraging the

as well as of a whole gamut of political and social

By Andrei V. Kozyrev The writer is foreign minister of Russia.

Estonian leadership to establish high standards in the field of human rights, this act has been con-strued by nationalist radicals as a "green light" to pursue policies reminiscent of ethnic cleansing.

The aliens law was the straw that broke the patience of the residents of Narva and the Russian-speaking populations in other regions of Estonia, sparking a referendum in which the overwhelming majority spoke in favor of the national and territorial autonomy of these regions within the Republic of Estonia.

Whatever is said with respect to the legality of this referendum, its results deserve attention if only as a reflection of the mood prevailing among a major part of the Russian-speaking population. It would be onwise to ignore this. It also would be simplistic to explain the outcome by referring to the schemes of the for-mer "Soviet nomenklatura." Neither the leaders

Things will settle down only when the Russian residents are told in clear terms that they are fullfledged citizens of Estonia.

nor the overwhelming majority of ordinary Narva residents could be called extremists. They do not wish either to emigrate or to secede from Estonia. All they want is to enjoy the same rights as Estonians living next door.

Recently, there have been some encouraging signs of the readiness of the Estonian government to mitigate the most odious discrimin sures, taking into account some of the recommen-dations of Max van der Stoel, the CSCE high commissioner for national minorities. It seems a dialogue is about to start between the authorities and representatives of the Russian community. But the general atmosphere surrounding the Russian-speaking population has not radically changed. They still live in conditions of psycho-

logical stress and uncertainty.

Measures taken by the government of Estonia to bring about the normalization of interethnic relations will be effective provided that they are meant to win understanding and confidence of national minorities rather than the applause of the government's foreign partners. Amendments

Estonian language, a major condition for obtaining citizenship. Today, the Estonian anthorities are beginning to acknowledge that special incentives are needed to persuade Russians to learn Estonian. But was this not known before? Was it worthwhile to keep on building up tension in-stead of providing Russians with access to the

Things will settle down in such areas as Narva only when the Russian residents are told in clear terms, without any juridical pettifoggery, that they are full-fledged citizens of Estonia. A major-ity of problems would be solved.

Estonian-Russian relations, too. The issue of the Russian-speaking minority in Estonia is not a bone of contention between Russia and Estonia Russia lays no claims to Estonian territory. On the contrary, it is Estonia that has territorial claims to Russia. Tallinn is still unable to forget the offenses of the past, for which present-day Russia has no responsibility, and continues to stick to the mentality of 1940. All this only plays into the hands of extremists and those professing

Russia cannot be indifferent to the fate of even a dozen of their citizens. Russia is responsi-

give us a hand in achieving this goal.

Our attitude is motivated by concern for the

a touchstone of the ability of Enrope to effective-ly prevent and extinguish conflicts. The "cry of rope should heed the message from Narva.

perts on human rights, but in the long run everything will depend on the feelings of the ordinary workers and employees of Narva.

Take for instance the issue of knowledge of the

Estonian national culture and language?

That would be the best way out in terms of the xenophobia on both sides of the border.

Russians in Estonia. But let nobody regard this as a manifestation of an imperial syndrome. In the past, states would send gunboats to protect ble for millions of compatriots who have found themselves outside the boundaries of the country. We are making every effort to persuade the stonian government to resolve the problem of the Russian minority, and call upon Europe to

maintenance of stability throughout the territory of the former Soviet Union. We have seen on too many occasions in recent years that whenever interethnic conflicts bring bloodshed, reconciling the rivals becomes nearly impossible.

This is why the events in Narva should become

spair" - and this is how the referendum in Narva could be termed - must be heard by the European public and dispel the complacent and halcyon vision of the situation in Estonia. Eu-International Herold Tribune

# Sarajevo: Great Powers Play Out the Tragedy Again

PARIS—A year and a half ago, it was possible to argue that the siege of Sarajevo was not "a new Sarajevo." Unlike in 1914, the great

powers were not interested parties. It was a domestic tragedy, of interest to a larger world because of the Serbs' ominous defiance of the principles of postwar European order, but only for that reason. It no longer is possible to

defend this position.

The events symbolized by the siege of Sarajevo have now become of a scale that may in the end bear compar-ison with those of Sarajevo 1914. Then, the Serb-inspired assa of the Archduke Francis Ferdinand resulted in the destruction of the Hapsburg, Ottoman, Hohenzollern and Czarist empires, and the replacement of the bourgeois civilization and order of Europe as it had been by a new order of apocalyptic political movements, racism, class warfare, economic crisis and genocide.

What Sarajevo 1993 is accomplish-ing is the destruction of another order, that of Western Europe since 1945. It is producing an end to the Atlantic

N EW YORK—The West's worst moral and political disaster since the Nazis is coming to a climax

And just as many politicians and in-stitutions paid for the failure to stop

Hitler, so many will pay dearly for allowing the Serbian tyrant, Slobodan Milosevic, to destroy Bosnia.

George Bush will go down in history as the president who promised a oew world order and then underwined it by his grown presents.

mined it by his own weakness. The man who rallied the world in save the

feudal regime of Kuwait and its oil

did nothing to stop the dismember-ment of a civilized country to Europe,

Mr. Bush's secretary of state,

James Baker, helped to bring on the

tragedy. As Yugoslavia was breaking up. io June 1991, he went to Belgrade and said the United States

wanted to maintain Yugoslav "unity and territorial integrity." Mr. Milo-sevic took that as a green light to use

the Yugoslav Army against Slove-nia. Croatia and then Bosnia as they

declared their independence.

The European Community, that expression of hope for a united Europe,

proved unable to respond to disaster

on its doorstep. For that failure the

tional politicians of Western Europe

for 40 years to keep the peace in Eu-

or the genocide of its people.

alliance, the moral as well as politicalmilitary accord that for four decades

has guaranteed international order. The Balkan crisis has set France against Germany, Britain against both, and the United States against all. Consequently, the smaller powers that had committed themselves to European union and Atlantic security are becoming demoralized. The game of blame has been launched.

The project of a common foreign and security policy for Europe has been revealed to be a sinister charade. sinister because the idea that there should be a single policy has rationalized the failure of the European govcriments to assume individual responsibility for dealing with Yugoslavia.

France's constant demand for sovereign Europe has been made to seem grotesque by Europe's incompetence in dealing with internal European aggression. France's claim to policy autonomy, promulgated by Charles de Gaulle and since defended by every major French political fig-

A Disaster Slogging Toward a Climax

By Anthony Lewis

rope, could not summon the will to

act. Leaders devoted themselves to in-

venting disguises for their cowardice.

When, this spring, there was a chance for significant NATO action, it was undone by the weakness of a second American president Bill Clim

second American president. Bill Clinton could have led NATO to adopt his

policy of lifting the arms embargo on the Bosnian victims and carrying ont

air strikes on the Serbian aggressors. But he did not lead, and Europeans

depend on U.S. leadership even to

deal with European security problems.
The United Nations suffered griev-

ous wounds. Its peacekeeping func-tion, which has proved valuable in

many places, was so grossly misused in Bosnia that the peacekeepers be-came handmaidens to genocide.

guard the bringing of relief supplies to besieged Bosnians. They had to

beg Serbian killers to let them

Serbian murder and expulsion of Muslims. The UN troops did not

even fire back when the Serbs delib-

protection for the Serbs against the threat of NATO bombing. Mr. Major and others with troops there opposed bombing because the Serbs might

The UN Security Council designated six "safe areas" for Muslims —

and then did nothing when the Serbs mocked the order. Roger Thurow of

In the end the UN forces acted as a

crately rained shells on them.

then attack their men.

rough. They did nothing to stop the

The UN forces were there to safe-

By William Pfaff ure, has been shown to be empty. Today, France could reasonably be argued to be the second-most-powerful nation in the world, the major industrial state that, next to the Unit-

ed States, possesses important mili-tary forces that it is politically capable of employing in foreign operations. But Paris subordinated itself entirely to the divided will of the European Community members, then to the inherent obfuscations of the UN Security Council and the operational incompetence of the UN system, and finally to President Bill Clinton. What is the point of its proud regiments, its Foreign Legion. its nuclear aircraft carriers, its glori-

ous military displays each July 14? Europe has earned the contempt of Americans by its behavior on Bosnia, producing a U.S. alienation from Western Europe that will last and be

damaging to both parties.

The conduct of the United States, which fears commitment, has been inglorious as well. It has ignored until

BEE

The Wall Street Journal, describing how Serbian tanks and howitzers fired every night into the "safe area"

of Bihar, correctly described the UN designation as "cruel and ludicrous." Lord Owen of Britain, acting as an

international mediator, went so far to make the Muslims sign anything that

could be called "peace" that his repu-tation is gone. He reportedly is now urging the Muslims to let the Serbs

little. Mr. Clinton could finally push

through his plan of bombing to break the siege of Sarajevo. That would not save Bosnia, but it would at least limit

the terrible precedent of weakness be-

fore a tyrani. It could deter Mr. Milo-

sevic from attacking more countries. Most important, it would show that

Mr. Clinton has begun to understand

the use of power in foreign affairs.

It is essential also to finance and

carry out the UN Security Council

resolution for a tribunal on war

crimes in the former Yugoslavia. If

Mr. Milosevic and his cohorts are

charged and refuse to appear before the court, they would be unable to

leave the hellhole of a Greater Serbia

that they have created.

But the inhumanity will remain

unhealed. Looking at the scene in Bosnia, we should say what Shake-speare, in "Henry V," had the French coble say as he looked down at the shattered field of Agincourt:

"Shame and eternal shame, nothing

The New York Times.

have part of besieged Sarajevo. Can anything be saved from this record of folly and fear? Perhaps a too late the implications of aggression and ethnic purge in ex-Yugoslavia. Washington has correctly insisted, however, that the crisis directly threatens Europe, not the United States, and that dealing with it has been primarily

principally by the French and the British. The two have a plausible reason for objecting to a military inter-vention that would have made their peacekeeping and humanitarian. forces the object of Serb reprisals. They had a right to criticize the American insistence that others take all the risks of ground opera

while Europe does oothing.

Western Europe had already presented Americans with a spectacle of economic difficulty, confusion and protectionism; a monetary union in crisis; a Maastricht treaty fiasco; a German failure to integrate East Germany, and a Community practicing a self-interested policy with respect to the struggling East European economies. Now appeasement of aggression in the former Yugoslavia and ratification of the results of ethnic cleansing have been added to that picture.

into office in January with a Pacific bias. The Clinton generation's experience is not of world war and Atlanoc construction but of the Vietnam War, the dynamic development of Japan and the other East Asian economies, and of the demographic shift in the United States, where the Asian population has soared.

gagement abroad. This was to have meant a gradual and limited disengagement from Europe, in which the responsibility for pan-European order would have been assumed by the de-veloping institutions of a united Eu-

Europe's responsibility.

When the Clinton administration finally attempted to intervene in the crisis, it was blocked from doing so.

Still, they are responsible for the fact that Europe has now moved from a position that said that nothing could be done in the conflict without American leadership to a position that rejects American leadership

This administration intends to reduce U.S. military and political en-

veloping institutions of a united Europe. As a consequence of what now has happened, one must assume that there will be a rapid disengagement, which is unlikely to prove limited.

Europe has made itself again, in American eyes, what it was to Woodrow Wilson in 1916: a place of "power politics" and "jealousies and rivalries" from which a prudent America guards its distance. That it ended as it actually its distance. That it ended as it actually did for Wilson's America adds to the poignancy of the simution today.

International Herald Tribune. C Los Angeles Times Syndicate.

# Watching A Number Unwind

By Hobart Rowen

WASHINGTON — President Bill Clinton has had to withdraw his claim that a full-point reduction in long-term interest rates would add a 🕝 \$100 billion thrust to the economy.
"We're now saying \$50 billion to

\$100 billion," an economic adviser to the president, Gene Sperling, told me. The reason: When private economerric model-makers challenged the esti-mates of Federal Reserve Board staff. which originally supplied the rationale for Mr. Clinton's claim, the White

House decided to play it safe. Even \$50 billion represents a larger thrust for the economy than conventional wisdom had accepted as the probable result of a contractional fiscal policy. Yet the White House assumes a political risk in downshifting

to the more modest projection. When most of the economic growth initiatives in the Clinton budget were dropped by the House-Senate reconciliation committee, Mr. Clinton had to fall back on the hope that deficit reduction itself, by generating record lower interest rates, would act as the main engine of growth. Low interest rates, the Federal Reserve agreed, would free business and consumers to stimulate the economy by reducing their debt and by making new invest-ments and substantial purchases. The question was, and is, by how much?

This exercise started with a Fed computer run back in January which concluded that each "basis point" reduction in long-term interest rates could be equated to a stimulus of \$1 billion. Surprised Fed officials even rechecked the result.

From a high of B.t percent in May 1992, long-term interest rates have dropped more than 150 basis points. Altogether, it is not unreasonable to attribute 100 points of the decline to prospects for deficit reduction. Originally, Mr. Clinton was looking

to more conventional ways of kickstarting the economy. He had pro-posed a \$15 billion short-term stimulus package that was killed by a Republican filibuster. His temporary investment tax credit, costing about \$16 billion, was voted down. As Democrats and Republicans attacked his long-term program as "tax and spend." Mr. Clinton had to accept token money for what had been an ambitious

economic growth component.

Obviously, the Fed's calculations were music to White House ears. In an April 2 speech to the American Society of Newspaper Editors, Treasury Secretary Lloyd Bentsen said: "My friend Alan Greenspan tells me that a drop of 10 basis points is the equiva-lent of a \$10 billion shot in the arm for the economy." Mr. Clinton, Laura Ty-son, the head of the Council of Eco-

nomic Advisers, and other administra-tion officials milked the same theme. search organizations and outside economists began to offer a lesser evaluation of how much impulse low-

er rates would give the economy.

An economist at the Brookings Institution. Barry Bosworth, said, "When you crank this into the computer, you get results all over the place." Lyle Gramley, a former governor of the Fed and now chief ecoo-omist for the Mortgage Bankers As-sociation, told me that a stimulus of \$100 billion for a 100 basis point drop was "exaggerated."

A macroecocomic model constructed by Data Resources Institute put the thrust from a full percentage point drop in long-term interest rates as low as \$30 billinn. Others suggested \$50 billioo and \$70 billion as possible results. But none went as high as \$100 billion.

Sources outside the Fed suggested that the central bank "got a little nervous." While there is oothing to indicate that the Fed has altered its own estimates, officials there will oot talk to reporters about this subject.

The White House is still counting on lower interest rates to offset the contractional force of deficit reduction. Mr. Sperling said that the precise amount of stimulus was not as important as the certainty that deficit reduction would move the economy ahead:
"When you have a credible deficit
reduction plan, it lowers long-term real interest rates, and gives the economy a stimulative effect, even before any of the deficit reduction takes place, and that can put the economy on an even a stronger footing as it goes into a period of deficit reduction."

Nevertheless, having touted the \$100 billion figure so prominently. backing off is an embarrassment for the administration, especially when the potential monetary thrust now appears to be the only big stimulus that the administration can claim for the budget package.

The Washington Post.

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Southern 'Sport'

PARIS - Some more bull-fighting atrocities are reported from the generous South. A telegram from Bor-deaux states that at the Franco-Spanish arenas there, the torero was knocked down and gored by a bull. One horn pierced the bull fighter's right thigh. At Nimes, at the grand bull-fighting exhibition, in the pres-ence of the local authorities and 45,000 spectators, several bulls were slowly killed. Many of the horses came back from the "sport" with their sides

ripped up and covered in blood. 1918: Spanish Honor

MADRID - The "Pais" this morning [Aug. 14] has an energetic editori-al: It is necessary to call the atten-tion of Spaniards most strongly to what is happening to Spain in this war. The Spaniards are asleep. The Germans are treating Spain like a con-quered country, insulting us, tramp-

fellow-countrymen, stopping our supplies on their way to Spain and using our country as a field for their politica manoeuvres against the Allies." The article concludes by calling upon Senor Maura to act in accordance with Spain's interests and honor.

1943: Rome Celebrates LONDON - [From our New York

edition:] The Italian government declared Rome an open city tonight [Aug. 14], but a United Nations broadcast informed Italy that the Allies will continue to bomb the Eternal City until proof is furnished that it no longer is being used for military pur-poses. This would mean removal of all ministries, government agencies, military organizations and war industries from Rome, and, the cessation of military traffic through the capital. Reports said there were scenes of wild joy in Rome when news of the open city spread. Tens of thousands of Romans paraded the streets cheering King Vic-tor Emmanuel III and Pope Pius XII. ling on our honor, assassinating our



هكذا من الأصل

# For 'Adam and Eve,' A New Home in Treviso

By Kate Singleton

REVISO, Italy — You don't need an excuse for visiting Treviso. It's an attractive, harmonious city, alive with bubbling waterways and just far enough north of neighboring Venice to avoid the formist hordes.

Like many of the smaller Veneto cities, Treviso is pink and bright with medieval and Renaissance. palazzi built using terra-cotta bricks and tiles, with the slim clerestory pillars and the balconies picked

tively affluent (both Benetton and Stefanel are local names), the trevigiani are also duly proud of their opera house and their art collectheir artists. And so it is that more than a thousand of them recently chibbed together to purchase a remarkable sculpture by Treviso-born Arturo Martini, one of the foremost creative

geniuses of the early 20th century. Scalpted in 1931 for a private pairon, Martini's "Adam and Eve" now stands in the center of the cloister of the Museo Civico, where the pames is drawn out by the ideal proportions It's a work that speaks of mnocence and the incluctable evolution of knowledge and concomitant pain in suchsearing terms that the visitor cannot fail to it is merely the first Arturo Martine's "Adam and Eve."

stage of a magnifi-cent permanent exhibition that is worth a journey in its own right.

n its own right.

Martini was born into an extremely poor, unlettered family in 1889. Like many underprivileged children of his time, his formal education came to an end before he had completed elementary school. Following a number of short-lived jobs, he became an apprentice to a goldsmith, and was thus able to develop what he discovered to be an innate sense for develop what he discovered to be an innate scase for sculptural form. He also encolled in sculpture classes at evening school, where his reacher was the painter. Chorgio Martini (no resultant). At two later discovered this period and what he learned about modeling in clay as "my school of ceramics."

Guided by the older artist and encouraged by the

cs, Martini worked on a number of small bas-reliefs in between bouts as a station poster. One of these indirectly helped him become a pupil of the Treviso scalptor Antonio Cadini. "He taught me to form, to draw out the forms from the clay and turn them into plaster, and I appreciate

what knowing how to do this means.". This was in 1905. The next five years were a vortex of varied artistic and human experience There were exhibitions in Treviso and Venice, study at the Scuola libera del Nudo in Venice (Arturo carolled on the same day as Umberto

with the work of Medardo Rosso and other contemporary artists, encounters with the brothers Giorgio de Chirico and Alberto Savinio while visiting Munich, and the impact there of the German and Austrian Secession.

Back in Treviso, spates of fervid creativity afternated with moments of near desperation for lack of funds. "Tired of not being able to acquire even the basic tool of my trade, drawing paper," he wrote to one of his supporters in 1913, "I feel painfully obliged to turn to you as the only person who still

follows our art movement with interes-L . . . If I could only find someone who would accept all my output in exchanot for money but for the materials necessary for my work I would be happy." Even in his days of

pennry, Arturo Martini was a tireless experimenter. During the war years, when he was called up, he managed to create ceramic plates from which he made prints with interesting luminous (gloominous?) effects: The Museo Civico has a large collection of these and later "cheramographs", as well as ino-cuts and xylo-

graphs. However, the one material that he tended to avoid was bronze, possibly because he was unable to do the casting him-self. The splendid exception belonging to fhe Treviso collection is the "Pisana," sculpted in 1928 and cast in 1930. The sleeping female figure

lies face downward her posterior roundly arched and her whole person emanating an aura of warmly dormant sen-

This was Martin's ideal woman: "I adore her and perhaps have loved her alone throughout my life. The same figure returns in the terra-cotta "Venere dei porti" (Venus of the Docks) of 1932, and in 1941-42 with the "Donna che muota sott'acqua" (Woman Swimming Underwater), where the relationship between weightlessness and heavy matter is explored in terms that are startlingly new

and advanced.
Although certain recurrent threads can indeed be found in Martini's work, what the Musco Civico collection shows is that his most consistent feature was not a particular style or subject matter, but rather a ceaseless search for new ways of expressing his personal vision. The range of what idiom embraced in four decades of artistic achievement (Martini died in 1947) is quite remarkable for

"Reality interests me rather as the vocabulary may interest a writer," said Martini in 1933. "Rarely has reality brought to my mind a work of art: Even a portrait, when it is a very good likeness, has nothing to do with reality. To see reality I close my eyes."

Kate Singleton lives in Italy and writes frequently on cultural offairs.

# Pictures (in Pictures) at an Exhibition

ONDON - How closely do we look at paintings by the most famous masters such as, say, Vermeer when we set foot in the world's great museums?

The short answer that emerges from Themes and Variations: Pictures in Pictures," one of the year's most original and stimulating art shows, is: oot nearly enough. As for the lesser masters or simply masters of lesser repute because too little is

SOUREN MELIKIAN

known about them, we barely take

them in. Even attentive visitors to the show (at the National Gallery until Sept. 18) might not recall the name of Quiringh van Brekelenkam or, above all, his beautiful view called "Interior of a Tailor's Shop." Done in a uniquely Dutch lighting, it has a Rembrandi-like whift to it. Faces half-dimmed by shadows give a

searching look.

Although realistically painted, it is full of that inner mystery projected by the gravity of the expressions and the postures so typical of Holland in the two decades from 1648-1668 when Brekelenkam is known to have heen working.

High up on the wall under the low ceiling of the shop, the viewer can make out a still life with a stoneware jug. It is very much in Brekelenkam's own style in still life painting, suggesting he took the whole scene from real life, perhaps after selling one of his works. The rare document of social history highlights the extraordinary diffusion of painting in Holland among the less privileged classes. This struck the English traveler Peter Mundy. While in Holland in 1640, he noted that the Dutch had such a great liking of art that "even blacksmithes, Cobblers etts., will have some picture or other by their Forge and in their Stalle."

THER "pictures in the pictore" document strange customs. There is a famous Venetian view by Canaletto that shows a crowd of onlookers, their backs turned, watching the Doge and his retinue on a visit to the church of San Rocco. This ceremony took place every year on Ang. 16 to commemorate the end of the 1576 plague. The 18th-century painter has chosen to show the crowd standing in front of the Scuola di

San Rocco, not the church.

In such circumstances, its facade would be hung with paintings by contemporary artists from Venice. Canaletto was not interested in the detail of the pictures, done in such sketchy fashion that they could pressionist leaning toward Abstractionism early in this century. have been co He only wants to create a visual impression of the display. Even a Venetian view on the far tight, probably his own, defies identifica-



Jan Vermeer: "A Young Woman Standing at a Virginal."

Most gripping are the works showing artists in action. A 16th-century anonymous artist working in the manner of the Flemish master Quentin Metsys chose an unusual theme for the narrow vertical panel of what once served as the inside shutter of an altarpiece. Saint Luke is seen as a painter at his easel, putting the finishing touches to a Virgin and Child.

Luke is seated on a cushion of red Venetian velvet with formal blossoms in the Middle Eastern taste, the only allusion to the Palestinian background. Near him is a stool of a type still produced, but of which no early specimen survives, with three cylindrical legs and tri-angular tablets. On top, an oaken vase, with the grain of the wood very carefully painted, owes its shape to metallic prototypes, and near it a kmie and a mussel shell complete the utensils. It all provides a rare insight into the paraeval artist.

Another picture is subtly mov-ing. The label says it was done "after Wallerant Vaillant, 1623-1677." A youth, his back turned three-quarters to the viewer, bends

in coocentration is sensitively done. Dominating the scene, a plaster cast made after Michaelangelo's Bruges Madonna looks down on it all with a curious smile, from the pedestal on which it is hoisted. Another large-size in-folio alhum, propped against an indistinct piece of furniture, is opened to reveal a head drawn in pencil after the antique, while a bundle of sheets, probably more drawings, is visible in the background.

ANDLED in the re-strained northern chiaroscuro lighting inherited from the Caravagesque age, this offers a wonderglimpse of an artist in the making amid all that he aspires to emulate - the high Renaissance genius, Roman antiquity. If this is a work "after" an original oot simply a variant, it is one well worth pears to have been lavished on it so far. It truly is a revelation that must have been overlooked hundreds of times by unseeing visitors.
But no one could argue oversight

in the case of the great Parmigiani-

the usual monomaniacal chess ge-

oo. And yet, how many have ever focused on the remarkable attention given to the art surrounding the man he portrayed seated behind a table? Above him, in a corner, a marble high relief of Mars and Venus broken off from some ancient Roman monument was the excuse for including the portrait in the show - the relief is pictorial, if not a picture. But I find the objects just as interesting. The man clutches a binding with metal fittings and studs over velvet - no doubt some rare illuminated manuscript. The other hand rests on the table, almost touching three ancient Ro-man coins that he has just pushed

than an ancient Roman figure, as ness in his expression, that flush of contained excitement of those who live with art and have just been relief must have held pride of place in his mind. It is tempting to speculate that the collector commissioned the portrait and that Parmigianino must have been a collector himself 10 respond with that kind ing?

of incisive sympathy. There may well have been some intended symbolism in the prominence given to the relief.

By then, the picture within the picture was becoming a way of delivering coded messages. Symbols were a fundamental mode of expression in a world steeped in Greek and Roman classics and in the literature drawing on its themes. We tend to forget this as we gaze at world famous works such as Vermeer's portrait of a young woman standing at a virgin-al. Behind her is a paining of a small child naked, with tiny wings. This is Cupid, the god of love, seen raising a blank card - the message -and signifying the woman's single-minded love. Were there other mended allusions in the small, very beautiful landscape to the left and in the other landscape painted on the inner face of the rais ed lid of the musical instrument? Perhaps. Probably. But presumably linked to the character's circumstances, they now elude us forever.

The matching counterpart to that picture is the portrait of a young woman seated at a virginal, also by Vermeer. Above her, on the wall, there hangs an interpretation of a well-known painting now in the Boston Museum of Fine Arts, "The Procuress," by Dirck van Bahuren. A bearded man roguishly leers at a woman who plucks a stringed instrument as she complacently raises a beaming face. An elderly woman who has arranged the meeting holds out her hand.

AN Bahuren's pieture lonks like a harsh comment on the scene painted hy Vermeer. The young woman at the virginal with both hands resting on the keys sits right under the woman selling her charms in Van Baburen's composition, in a symmetrically opposite posture. In the forefront of the picture is part of a very large viola di gamha very similar to a modern cello. Rather than a direct illustration of a woman selling herself, as the label suggests, it looks more like a warning. She has not picked up the viola yet, Indeed, she plays music on the virginal, which symbolizes pure feelings of harmony. Here, too, the raised lid of the keyboard reveals a landscape precise enough to suggest a possible identificatioo in the future. With this unpretentious and

highly intelligent show drawn from forward. Near these is a bronze the museum's resources the orga-nizers have opened up a whole new statuette of the Renaissance (rather line of thinking. Done on a shoe-This is obviously the portrait of a collector. He has that tense alerters in his correction that the factors are all the couldn't they an art magazine and have pullouts live with art and have just been showing treasured possessions. The tion cost to them? — the exhibition sion, and would justify a book. It invites another show on objects in pictures that could be far more rewarding. Or is this wishful think-

#### BOOKS Boccioni, of later Paterist fame), acquaintance MORTAL GAMES: Reconsidering Rembrandts

By Carol Vogel

. . 

> Rembrandt Research Project, a committee established 24 years ago by the Dutch government to determine the authenticity of the many works attributed to Rein-brandt, has lost four of its five members and is giving up the system of cosmoisseurship by consensus that has rankled scholars, curators and dealers for most of the its mostence. Now the art world is asking what direction the project will take and whether crucial works by the Dutch master will be re-evalu-

"The file is never closed," said Ernst van de Wetering, the remaining member of the project. Each painting is in constant discussion. The resignations came sometime last spring amid indications of con-siderable disagreement within the group. Those who left were of resirement age, and, citing the "pasof a need for "a change of ap-

During the 1920s, more than 700 paintings were attributed to Rembrandt. By 1969 — the tricenten-nial of his death — the number deemed to be genuine had fallen to around 400, and that figure is expected to drop to 350 or so by the

end of the century. Over the years, critics of the project have assailed the notion of connoisseurship by committee, especially a committee that ignored the opinions of other experts who took exception to the project's findings

ANTIQUES

E STREET

INFE BELY AND SELL

ARABESE ANTERIES OF THE EDO S
MERI ERAS, LARANESE WEAPONEY,
SWORDS S FITTINGS,
FITING CRANES ANTERIES, LTD.
Data Sateman main language becames Fire Satsman, Insiri, Japanese Brouges E nized metahori, cloisonne & silver, Japanese swords, blades, sword littings, autor beliers, bows, grayes, quives & more FLINING CRAMES ANTIQUES, LTD. 1050 Second Areste, R.Y. R.Y. 10022 Tel: (212) 273-460

It is not surprising, then, that the project's new look has been greeted favorably by art administrators both here and abroad. Van de Wetering the youngest member of the former team, will now work with a varied group of specialists who will consult on a painting by painting basis. "I want to be more in contact with the art-historical world," he said. "There will be a looser group connected to the project." Among those van der Wetering is calling upon for expertise are specialists on signatures, costume and iconog-

When asked about the change, Christoplier Brown, chief curator of the National Gallery in London, said: "It's very positive. The new group is a younger generation. The project will work more widely with a group of experts that will include seum curators, and in the process many paintings will have to be

From a market perspective, the

HARRYFANE

wishes to purchase old

CARTIER

objects:

Please contact:

OBSIDIAN, London

Tel: 071-930 8606 Par: 071-839 5834

dis, cigarette cases, powder boxes

and its strict methods of attribution.

It is not surprising, then, that the

imprimatur of the project has been a seal of approval that ensures the value of the work. But rejection or downgrading by the project can be financially devastating to a muse-um, a collector or a dealer. Works previously attributed to Rembrandt at major institutions worldwide have been downgraded by the project, as have works in private collections.)

> says the project may well change several auribu-tions it had previously made. When the project first bevolumes covering Rembrandt's career. The first three have been comdeted, and van de Wetering said that work had begun on the re-maining volumes. "My dream is whole project, but certainly there will be an overview that will give new ideas about authenticity."

book was Waitzkin's way of exploring his dilemma.

The Turbulent Genius of Garry Kasparov By Fred Waitzkin. 302 pages. \$24.95. G.P. Putnam's Sons.

Reviewed by Christopher Lehmann-Haupt CHARMING drama was

A built into the very idea of Fred Waitzkin's first book, "Scarching for Bobby Fischer," the movie of which is about to open.
Here was the author, inspired to play chess by the world champion-ship match between Bohby Fischer

AN DE WETERING and Botis Spassky in 1972, but all too soon having discovered, like so many at the time, that be lacked any special talent for the game. And then he was presented with a wondrous gift: he found that his

son, Joshua, was a chess prodigy.
Was this a blessing or a curse?
Waitzkin was thrilled to identify with Joshua, particularly when the boy was winning tournaments. But might Joshua become anoth-

Pasadena and Los Angeles and handing out anti-Semitic literature on street corners? Writing his first

No such drama, alas, is built into Waitzkin's oew book, "Mortal Games: The Turbulent Genius of Garry Kasparov." Joshua Waitzkin plays a minor role by holding Ka-sparov to a draw as one of 59 schoolchildren playing the world champioo simultaneously in New York City in February 1988.

thor approaches Kasparov a year and a half later at a party for him at the Upper East Side Manhattan apartment of Olga Capabianca, the widow of the onetime world champion Jose Raul Capahlanca. When Waitzkin introduces himself and begins to recall the exhibition, Kasparov interrupts him by exclaim-

elimactic and creates a sense that

nius. Armenian on his mother's side, he is obsessed by the persecu-

In the book's best scene, the au-

ing, "Your son is Josh?" But most of what follows is anti-

been cynically stirring up ethnie unrest for his own political ends. With anti-communism on his mind and his blossoming business interests, the champion has plenty to distract him as he trains for his difficult match with his longtime

rival, the former world champion Anatoli Karpov. Nor does Waitzkin fail to convey some of the tension of the 24-game match, half of which was played in

New York City and half in Lyon,

France. He has worked conscien-"Mortal Games" has no real story tiously to "translate the drama and to tell. Not that Kasparov isn't a daunting intricacy of Garry Kalively character and a far cry from sparov's chess into accessible language," as he puts it, and he often succeeds: "As a player, Kasparov stretches to make complications, to tion of Armenians hy Azerbaijanis in his oative Baku, which was occurring at the time, in early 1990. create profound confusion. Then with a mind which sees farther and faster, he works his way through and he is convinced that the Soviet the dense chess jungle, as he likes to leader, Mikhail S. Gorbachev, has call it, until, hleeding and exhausted, he discovers the winning way." But it is oot enough. Readers can

oever escape the unintentionally awkward premise that Waitzkin has befriended Kasparov mainly to report on him during the match. This makes both author and subject look bad. When Waitzkin isn't trying to

sell himself to Kasparov, he seems

AMSTERDAM

BRASSERE DE ROODE LEEUW

Tel.: (20) 5550666. all major c.c. accepted

COTE SEINE

For ever 10 yrs, a guality menu japentif, wine 8 collect for FF 176. Every evening and lunch an Sunday. 45, Qual Grands-Augustins, Td.: [1] 43, 54.49.73.

LE BILBOQUET

cither ingratiating or pathetically insecure about whether his subject likes him. Kasparov, on the other hand, appears to be promoting himself when he is being friendly to Waitzkin, or seems mean-spirited when he is not.

Most disappointingly, all the forced intimacy fails to take us inside Kasparov's mind. Despite Waitzkin's eloquence in conveying how the chess games were played, he cannot explain precisely why, for example, the players took recesses when they did, or what specifically they and their trainers did to prepare for the next day's com-

Christopher Lehmann-Haupt is on the staff of The New York Times.

#### 6, rue Jean Mermoz - 75008 PARIS that at the end of the fifth volume Tel.: (1) 42 25 84 80 - Fax: (1) 40 75 03 90 er Bobby Fischer, who, as the auwe can review discussions we have thor eventually learned, was then had about earlier works," be said, PRE-COLOMBIAN ART living in various rooming houses in That's not to say we can redo the

COLLECTOR'S GUIDE

Manufacture in Aubusson, France

Galerie robert four CARPETS & TAPESTRIES Purchase & Sale - Restoration - Exportise Estimations, Transport & Insurance free.

Antique à Contemporary prestions from film Anker - Folon Gauguin - Kisa - Kozo - Łapotte - Luroat - Magnite - Motte - Modigilani Monet - Nahle - Picasso - Rousseau - Se: - Toffeli - Vasarely. 28, rue Bonaparte, 75006 Paris.

NEW YORK

MIRSAD **Brut Art** Venice, California (213) 569-5300

CARIB ART GALLERY The only U.S. gallery specializing in CARIBBEAN ART Veronica Ortiz, Director 584 Broadway, New York, NY 10012 Phone: (212) 343-2539 - Fax: (212) 343-2659

ART EXHIBITIONS

GIVERNY CLAUDE MONET MUSEUM IN GIVERNY THE HOUSE - CLAUDE MONET'S GARDENS THE WATER-LILY POOL

Open everyday except Monday, from 1st April to 31 October 10 a.m. - 6 p.m. without interruption
West highway, dir. Rosen, exit Bosselves, Giverny near Verson (Enre). Information; (16) 32 51 28 21 =

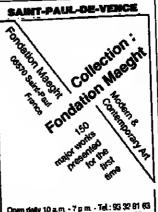
GALERIE MERMOZ



Jewellery · Textiles · Medals Coins · Bullion · Banknotes ISPINK

SPINK & SON LTD. 5, 6 & 7 KING ST.
ST JAMES'S, LONDON,
ENGLAND SWIY 6QS, TEL: 971-938 7882
FAX: 971-839 4853, TELEX: 916711

Open daty 10 a.m. - 7 p.m. - 7el.: 93 32 81 63 Library, bookshop, cenema, cafeteria, parking



A jazz temple since 1947
which hasts the greatest jazzmen.
In the heart of Solni-Germain-des-Pries
to demand or a definition
Gestronomical means of a recognishe price.
13, rue Soint-Berrott. Tel.: [1] 45,48,81,84.

Dining Labor PARIS 7th THOUMIEUX Specialities of the South-West. Conflit de conard & consoulet ou conflit de conard. Air conditioned. Open everyday until midnight, 70 nus S. Journique. 164: [1] 47.05.49.75. Nuor insciden Terminol.

> **LE WESTERN** The Reference for boven of the American West with specially imported US beef and teamer, specialises. Prop. Express Meru-with a choice of starters and south course with college and brownies FT 150 (burch & dense). Paris Hillion 18, ov. Suttren. Tel.: 42,73,92,00

tyannais bismo, madisional French cooking, doily dishes. 190 bis, bld. Pereiro. 1d.: 45.74.20,48 MAROUSSIA Close to Oddon, East European cooking, by Micha. 17th century setting, 7:30 p.m. to midnight, 9, r. de l'Eperon, Tel.: 43,54,87.50.

YUGARAJ Holled as the best Indian restaurant in France by the leading guides fair conditioned], 14, rue Douphine, 1.: 43.26.44.91.

LA PETITE CHAISE Delicious cuisine at the aldest residuatori Paris Menu 170 PF daily, 36, rue de Grene Tel. (1) 42.22.13.35 - Open in August.

AL GOLDENBERG Mails herings - Postromi - Cream cheme bagel and low horsemade - Cheese caker & all the trad. Jewish spec. 69 Av. de Wagram. Tel. A.2.27.34.79. Every day up to misinghi. CHEZ FRED

DA MEO PATACCA Trestevere, Rest. formous for fun food, music 8. feliders. 00153 Rome, Prezza de Murcant 30. Tel.: 065816198, 5892193. Fee: 582552.

KERVANSARAY

Turbish & Int'l specialities, lobster bor, best sectiond restourant, 1st Boor, Meinterst. 9. 161-5128843. Air conditioned. 80m. Opera. Noon3 p.m. & 6 p.m. lank, except Sunday. Open holidays.

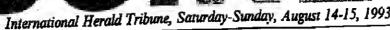
Page 8

The state of the s

TO THE TANK OF THE PROPERTY OF

THE CONTROL OF THE PROPERTY OF

Continued of Page 11 and Page 12 and Page





#### THE TRIB INDEX:106.46 縀

International Herald Tribune World Stock Index c, composed of 230 internationally investable stocks from 20 countries. compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlanda, New Zaaland, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining s the ten top stocks are tracked.

Asia/Pacific	Europe	N. America
Approx. weighting: 25%	Approx. weighting. 40%	Approx. weighting: 35%
Close: 131.14 Prev.: 130.52	Close: 99.98 Prev.: 100.07	Close: 91.65 Prev.: 91.35
130	Desc	
120		
110	tale a small	14.00
100		THE RESERVE
90 4 4 99		
80	ALLMAN	M.A.M.J.J.A
MAMJJA 1993 World Index	1993	190
Industrial Sec		

							-
Indu	stria	Sec	tors		_	_	Ţ
			change :		reloan.		change
Energy .		103.97		Capital Goods	101.78		-0.25
	115.56			Rew Meterials			+0.60
Finance	120.24			Consumer Goods ,	.84.82	84,42	+0.47
Services				Mecalianeces :	106.18		+0,7
Services	. 11-11-0			at the blandform	Horald To	hine Worl	d Stoc

lodex, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92521 Naully Codes, France.

### ECONOMIC SCENE

# Some Say Clinton's Budget Squeezes the Debt Enough

New York Times Service

TEW YORK -The Democrats bit the deficit buller, but did they bite off a big enough piece? Not by Ross Perot's reckoning, or, for that matter, by Bill Chinton's. Their assumption, widely shared across the political spectrum, is that the only acceptable deficit is no deficit at all, or at least none

when the economy is running at capacity.

And last week's budget accord still projects a deficit equal to 3 percent of national income in 1998—about where it was before the bipartisan budget summit con-

ference in 1990. But to many economists, the Can a deficit of any long-term goal of a zero deficit at full employment is, at best, a size be embraced as crude rule of thumb. If the object is to buttress a Japanese-

style level of national savings, a zero deficit alone is insufficient.

On the other hand, if the goal is simply to sustain the government's capacity to pay its bills, research by William Buiter of Yale University suggests that a balanced budget is not necessary.

In light of the political cost of further deficit reduction, "sustainability" is a budget concept that could soon come into vogue.

When a company's debts increase, Wall Street doesn't assume the when a company a decis miscase, wan offeet document assume the borrower is doing something wrong. Indeed, the fact that the company has access to cash suggests it is doing something right. What counts is the credibility of the company's promise to repay.

And that, in turn, depends on its future revenues and costs.

Likewise, when a government adds to it debts, the lenders' big incestion is whether they will be canglit in a giant Ponzi scheme — a game in which this year's creditors can get their money only if the

government can borrow the interest next year. The U.S. government can never truly become insolvent, because there is no limit to the number of dollars the Federal Reserve can

there is no limit to the number of dollars the Federal Reserve can create just by tapping a few keys on a computer console.

There is a practical limit, though, to the amount of federal indebtedness that could be managed without simply printing money to pay the bills, thereby expropriating some of the lenders' assets by inflating away their purchasing power.

by inflating away their purchasing power.

And as with a corporation, Mr. Buiter argues, that rate turns on the expected growth of revenue, expenditure and debt service.

What economists call the government's "primary budget surplus"—the surplus of revenues over current expenditures—must plus" — the surplus of revenues over current expenditures — must paus — me surprus or revenues over curreau expenditures — must grow rapidly enough to keep pace with mounting interest payments. And lo and behold, reasonable guesses about future interest rates

See DEFICIT, Page 12

# Market Mayhem in Seoul Kim's Ban on Anonymity Slams Stocks

Compiled by Our Staff From Dispatches

SEOUL — A financial panic engulfed Seoul on Friday as investors tried to bail out of the stock market after President Kim Young Sam launched a series of anti-corruption measures that, paradoxically, are expected to improve the economy.

Mr. Kim's main tactic was to outlaw anonymous financial transactions. His intent was to flush out money used for kickbacks and bribes, but the immediate effect was a stampede away from the securities market, which is expected to suffer as participants in the country's vast underground economy scramble to move their funds elsewhere.

The Korea Composite Stock Price Index fell 32.37 points, to 693.57, a record slide. Dealers said the decline would have been worse except that all

issues hit their daily permissible lows.

Volume was light, about 1.3 million shares, because there were few buyers for the approximately 80 million shares on offer. "It was a Black Friday, which incidentally fell on the 13th," said Kim Jong Dae, general manager at Tong Yang Securities Co. "The panicky selling

could last several more days."

Dealers said in vestors rushed to sell shares listed under false names to avoid paying higher taxes

under the new measure. Meanwhile, the Ministry of Construction said that for at least the next three months, almost all real estate deals would have to receive government

real estate deals would have to receive government approval. This is to deter money under alias accounts from flowing into real estate.

Investors sought the safety of gold and the dollar. Gold jewelry gained about 6 percent in price. "The price of gold on the shelves went up to 43,000-44,000 won per don today from 41,000 won yesterday," one shop owner said. A don is 3.76 grams, meaning the retail price of gold in Seoul was about \$400 an retail price of gold in Seoul was about 3408 an ounce, compared with a \$371 quote at midday on the Commodity Exchange in New York.

Black-market money changes when the commodity is a second to the commodity of the commodity of

Black-market money changers reported an un-precedented call for dollars. "Demand doubled today but there were no sellers," said one dealer in Scoul's Southgate Market.

Until Friday, any South Korean could walk into a bank or brokerage house and open an account in any name. It was virtually impossible for the gov-

ernment to trace Ill-gotten gains.

The president had frequently said he planned to outlaw false name transactions since taking power in February as part of his campaign against corruption. The financial markets, however, had banked on Mr. Kim's delaying the measure until the sluggish economy recovered and had not foreseen such action until the middle of next year.

Analysts said a positive effect of the measure was that it would provide better market access and a more favorable environment for foreign investors, thus drawing more funds into the market. But bankers and stock brokers said they feared

the already bearish stock market would suffer a blow in the short term as many wealthy people are reluctant to disclose the sources of their funds. Mr. Kim, however, speaking on television.

Thursday night; said, "Let me assure those of you who live sincere and honest lives that this system will do you no harm whatsoever."

Banks and financial institutions were shut on



Friday morning as staff learned how to verify identities. The stock exchange also was closed in the morning. Financial institutions were ordered to remain open until S P.M.

Institutions that permit an account holder to make withdrawals without providing identification face a fine of up to 500 million won (\$617,894). Up to 60 percent of funds held in bank and securities house accounts by those who do not identify themselves within two months can be confiscated. A 96.75 percent tax will be levied on

any interest or dividends that accrue. Those who

withdraw large sums or remit more than \$3,000 overseas will be reported to tax authorities. The government took some steps to cushion the effect of its move on the stock market. It required institutional investors to report their positions every two hours, brokers said, and offered loans on favorable terms to institutions whose huying out-stripped selling. Additionally, the Finance Minis-try said it would loosen its monetary policy.

But many brokers said they expected the market

would fall for another week. Investors' main con-cern was the uncertain future of the Korean economy, said Kim Dong Ik, an analyst with Daishin Securities Co. Also, he added, funds kept under false names must be withdrawn from financial institu-

tions, exacerbating already tight liquidity.

"Although investors know about the long-term advantages of the real-name system, they are pan-icking at the moment about a serious cash crunch," he said. As a result of the new system, South Korea's huge underground money market will be eliminated, seriously hurting small companies that depend on it, he said.

The Bank of Korea committed \$400 million in emergency funds to help relieve financial troubles

of small and medium-sized companies.

Among leading Scoul stock issues, Samsung Electronics Co. plunged 1,300 won to 37,300 and Hyundai Motor Co. 1,000 won to 25,300. Daewoo Securities Co. fell 1,000 won to 20,700 won.

Two companies managed advances, out of more than 900 traded. Century Co., a film distributor, was up 1,000 won to 22,000 and Shin Young Inc., a women's underwear maker, was up 2,500 to 73,000. (Reuters, AFP, NYT, AP, Bloomberg)

# French Franc Hits a Low As Dealers Choose Marks

# Balladur Warns Of Slow Rate Cuts

Compiled by Our Staff From Dispatches PARIS - The French franc slumped against the Deutsche mark Friday to its lowest level in Europe's latest currency crisis after Prime Minister Edouard Balladur pledged to stick to conservative monetary policy despite recession.

Dealers said they preferred to hold marks over the three-day weekend in France, given the volatility of the market. Monday is a holiday for banks and mar-

Europe's benchmark currency, the mark, was valued at 3.5360 francs at the Bank of France's closing quote, much stronger than 3,5091 francs Thursday. but weaker than an early Friday high of 3.5370 francs. The franc's value against the mark was the lowest since European Community finance ministers and

central bankers almost two weeks ago widened the range in which most currencies in the EC's exchangerate mechanism can move against one another. Under the old regime of exchange rates, the mark was not allowed to rise above 3.4305 francs. At its former peak this month, 1 DM bought 3.5307 francs.

Mr. Balladur's remarks, made on French television

mterest rates would continue at a snail's pace.

Mr. Balladur called the market's speculative attacks

world's financial and monetary system "to protect the en far less than the pound did, has said it will only cut prosperity of countries from these speculative rates little by little.

The mark's strength Friday followed comments Issing, that reduced expectations of an easing of Ger-

Issing, that reduced expectations of an easing of Cerman interest rates in the near term.

In an interview with the Frankfurt-hased Börsen Zeitung, Mr. Issing said the 60 billion DM (534.92

In Frankfurt, the DAX index of 30 active shares billion) spent by the Bundeshank to support currential of the control of the product of the produ cies in the exchange-rate mechanism in the weeks 1,906.58. (Bloomberg AFX, Reuters, Knight-Ridder) leading up to the widening of the ERM fluctuation ranges on Aug. 2 would add to Germany's troublesome money supply.

Meanwhile, the Danish krone was again taking the brunt of tensions within Europe's currency system Friday as central bankers in Copenhagen sought to keep a tight grip on short-term interest rates.

The krone slumped against the mark on Mr. Issing's comments. The currency was was trading at 4.1409 to the mark in late European trading, weaker than 4.1112 to the mark late Thursday and 3.9821 a week ago.

But some Danish export companies that had rushed to buy marks early this mooth were slowly huying the to buy marks early this mooth were slowly huying the krone again at its lower levels, traders said, which may help to stabilize the Danish currency.

Denmark's national bank governor. Erik Hoffmeyer, ruled out an early cut in short-term interest rates, in a statement issued by the central bank, Mr.

Hoffmeyer said recent currency tensions had caused uncertainty that meant the krooe's exchange rate would fluctuate "considerably more" than it had been doing, and the krone would be weaker for a short time. (AP, Reuters, Knight-Ridder, Bloomberg, AFX) Source: Bloombe

# Government Stance Depresses Bourse

Compiled by Our Staff From Dispatches

PARIS — With France apparently committed to defending the franc by keeping its interest rates relatively high, lovestors decided prices on the Paris Bourse were ton high, and the market slipped away

from its recent peak.

Elsewhere in Europe, prices rose in Frankfurt and London. The European component of the International Herald Tribune World Stock Index finished 0.09 percent down, at 99.98.

European stock markets have been strong following the collapse of the exchange-rate mechanism of the European Monetary System, with investors betting that many central banks would rapidly instinute sizable interest-rate reductions once freed of the need to keep their currencies tightly bound to the Deutsche mark.

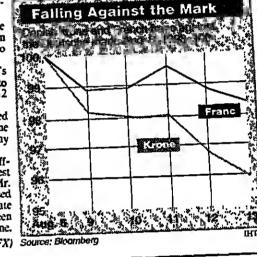
Late Thursday bounder Prime Minister Edouard

Late Thursday, however, Prime Minister Edouard Balladur made a speech in which he failed to set out a timetable for interest-rate cuts, and this depressed the Paris market. The CAC-40 index of blue-chip French stocks fell 13.87 points, to 2,148.00.

"People are disappointed by Balladur's stance on the franc," said a trader at NatWest-Sellier. "His wish Thursday night, indicated that the process of reducing to maintain a strong franc goes against the needs of

When Britain pulled out of the European Commuon the franc in anticipation of its decline in value nity's currency grid last September, interest rates were excesses of freedom." He called for reform of the immediately slashed. France, whose currency has fall-

London stocks rose, with the Financial Times-Stock Exchange 100-share index rising 1.0, to a record 3.010.1. from the chief economist of the Bundeshank, Ormar Much of the modest rise was attributed to good news in Issing, that reduced expectations of an easing of Ger-



# European Firms Fear Tax Impact of Latest U.S. Proposals WASHINGTON — Mercedes-Benz AG and sycrische Motoren Werke AG are expected by analystische Motoren Werke AG are exp

Bayerische Motoren Werke AG are expected by analysis to be hardest hit by the retention of a luxury-car tax in the U.S. budget package signed into law this week by President Bill Clinton.

Some European companies also fear another tax provision contained in the hudget package which prevents U.S. subsidiaries of foreign companies from deducting certain interest payments. Under the new law, they cannot deduct interest payments made to a parent on debt owed to an unrelated party but guaran-

sion plans in the United States.

The budget package, which is aimed at cutting

parent on dept owed to an unreasted party but guaranteed by the parent. Previously, they were only prevented from deducting interest paid directly to the parent.

Britain's Grand Metropolitan PLC and Sweden's Electrolux AB said the shift might restrict their expan-

The budget package also includes a tax of 4.3 cents a gallon un gasoline and other transportation fuels.

The auto luxury tax brought in \$305 million in 1992 substantial lobbying campaign by local dealers in imported cars for a higher tax on premium fuels as an

muroduced two years earlier.

The 10 percent tax is applicable if the purchase price of the car exceeds \$32,000. This level, which is an increase from the previous threshold of \$30,000, will be adjusted for inflation, according to the legislation.

The budget package also includes a specific package also includes a specific package.

U.S. taxes such as the luxury tax are unfair trade barriers. European Community officials have said that and was retained by the administration despite a the Community's member countries pay 80 percent of the taxes aimed at large and expensive cars, even though their carmakers account for only 3 to 4 percent

of the U.S. auto market. The tax is "clearly another form of protectionism An S.G. Warburg analyst in Frankfurt said that and this time is isolated on European imports," said foreign carmakers would "certainly feel the pinch" of

not hit the market as hard as when the \$30,000 base tax rate was introduced. The economy was in worse shape then and Japanese carmakers were doing a lot better at that stage," he said.

Although Japanese manufacturers produce many cars under the threshold, Toyota Motor Corp.'s Lexus is one of the models seen as being hard hit by the tax.

David Beardsley, a spokesman for the Japan Automobile Manufacturers Association, said the new inflation-adjusted base price was pushed for by the major

See TAXES, Page 13

# Cosmo Seeks a Bailout from Daiwa to Cover Massive Losses

TOKYO - Cosmo Securities Co., a Japanese brokerage company, said Friday it had sought assistance from its second-largest shareholder, Daiwa Bank Ltd., to cover previously undisclosed losses of 69.8 billion yen (\$675 million).

Daiwa, which now holds 4.9 percent of Cosmo, is expected to acquire a majority stake after injecting 70 billion to 80 billion yen of new capital in the company, Cosmo

Japanese banks are usually not allowed to hold more than 5 percent of a stockbrokerage, but the Finance Ministry made an excep-tion in view of the scale of the loss, one of the largest ever suffered by a Japanese broker. It is regrettable that the inci-

dent happened when the stock mar-ket was almost recovering from a series of scandals." Finance Minister Hirohisa Fujii was quoted as saying at a news conference. "We will deal with this case strictly," said Mr. Fujii, confronting his first

Aug. 13

€CU

Yen

appointed to the post on Monday.

"We have to review existing systems in the industry. We also want to order securities firms to Cosmo, which announced the loss at a hastily convened news

conference at the Tokyo Stock Exchange after the market had closed, said that Yasuo Bunya, its chairman, had resigned to take responsibility for the losses. The extraordinary loss reflected off-balance-sheet deals involving

so-called "flying" accounts, com-pany officials said. Known as tobashi in Japanese, the transactions entail switching poorly performing stocks from one client to another while promising to buy the stocks ing the same period by Yamaichi

slump in the market led to several brokerages suffering heavy losses in the deals. The long-time practice erupted

into a major scandal two years ago. handicapping the stock market and Japanese brokerages by scaring off smaller investors. A Cosmo official, who refused to give his name, said the firm was no longer engaging in the practice. The losses disclosed Friday are

four times larger than the pretax loss announced by Cosmo for the year to March 31. Cosmo's loss is also almost twice that incurred dur-

section, was quoted as saying that Cosmo did not disclose the loss during an inquiry by the ministry last year. He said that the Securities and Exchange Surveillance Committee, the market watchdog, bad also failed to detect the losses. Hirochi Nakano, president of

Cosmo, was quoted as telling re-porters that the company hid the losses because it was trying to "re-vitalize" its operations. "If we disclosed the amount, it would have shaken the very foundations of the company," he reportedly said. Mr. Nakano said in a published statement that the losses had been

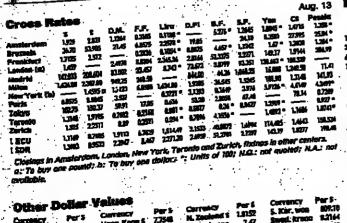
stockbroking scandal since being appointed to the post on Monday.

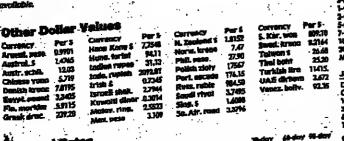
We have to review existing system worked as long as stock by the long in the industry. We have to review existing system worked as long as stock by the long in the industry. We have to review existing system worked as long as stock by the long in the industry. We have to review existing system worked as long as stock by the long in t erate with administrative authorities investigating the losses, which be blamed on directors at the company's corporate-business division. Daiwa, one of the smaller of Ja-

pan's major banks, is expected to make Cosmo a subsidiary once it receives the approval of Japan's Fair Trade Commission. Cosmo saw its pretax losses widen from 9.5 billion yen a year earli-

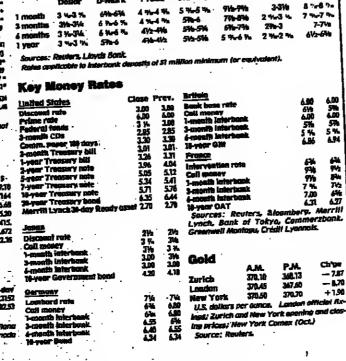
er to 17.5 hillion yen in the year ended March 30 and had expected to return to the black in the current year with a profit of 2.5 billion yen.

# CURRENCY & INTEREST RATES





Sources: ING Bank (Artisterdam); Indexies Bank (Brussels); Banko (Malan); Apance France Presse (Paris); Bank of Tokyo (Tokyo); I (Taranto); MSF (SDR). Other data from Reuters and AP. 



# Revenue at Euro Disney Down 2.4% for Quarter

PARIS - Euro Disney reported Friday a 2.4 percent revenue decline during the second quarter compared with last year, and also confirmed it had a loss of 500 million francs from April 1 through

June 30, a figure that was predicted last month. Euro Disney runs a year-old resort east of Paris. The company said operating revenue fell to 1.465 billion francs (\$244 millioo) from

1.501 billion francs. Revenue was lower even though the park was open fewer days

during the same period last year.

"This was strictly a legal filing," said a Euro Disney official concerning the semiannual legal announcement under French law. The company since last month has undertaken "strategic examination which involves financial restructuring," she said. The company last month blamed the losses on lower-than-expect-

ed spending per visitor on food and merchandise as well as lower occupancy rates at the hotels. The company also noted high interest. lease and depreciation charges from the initial investment. Despite Euro Disney's difficulties. Walt Disney Co. last month reported a 17 percent increase in profit for its third quarter, the company owns 49 percent of Euro Disney.

# CALL FOR

Tired of being charged two or three times US rates for international calls? Sick of hotels that odd 50% or more to every phone call? Fed up with telephone credit cards that add two or three dollars

to every call? Shocked to check out of a hotel and find your phone bill larger than your hotel bill?

KALLBACK beats the high cost of making calls from hotels and from abroad. Save over 50%!

With KALLBACK all you do is dial an assigned number, let it ring once and hang up. Our computer calls you right back, asks for you by name and connects you to a U.S. dial tone giving you the world's highest quality digital fiber optic service

at the world's lowest prices. KALLBACK DIRECT SM Cail: (1) 206-286-5280 FAX: (1) 206-282-6666

417 2nd Ave. West . Scattle, WA 98119 USA

EUROPEAN FUTURES

Nigh Law Prev. Clase

GERMAN GOVERNMENT BUND (LIFFE)
DM 29,000 - ph; of 100 pc)
les 97,53 97,51 + 0.95
les 97,54 97,57 97,51 + 0.95
les volume: Sa,827, Open Interest: 201,199.

Industrials

BRENT CRUDE OIL (IPB)

Spot Commodities

Dividends

# CPI Boosts Bonds, **But Stocks Stymied**

Compiled by Our Staff From Dispatches
NEW YORK — A benign inflation environment fueled the boodmarket rally Friday, but stocks failed to reap much benefit as investors were worried about the

After a better-than-expected report on consumer prices, the yield on the new 30-year Treasury bond

#### N.Y. Stocks

ended at 6.35 percent, up from the average 6.33 it was sold at Thursday but well below the 6.44 percent close of the previous beliwether.

On the New York Stock Exchange, however, the Dow Jones in-dustrial average rose just 0.56-point, to end at 3.569.65. Advancing issues led decliners by a small margin. The government said the consum-er price index climbed a mere 0.1

percent in July — pressured by ris-ing medical costs but little else. Analysts expected a 0.2 percent rise. Ricky Harrington, senior vice president of loterstate-Johnson

Lane in Charlotte, North Carolica, said bonds rallied on the "betterthan-expected CPL, which helped the stock market."

### The sluggish economy is expected POLICY: U.S. Letting Yen Climb

intellectual godfather of driving up the yen to cut the Japanese trade surplus, William Cline said there

Continued from Page 1

was "little doubt that the administration is pleased by the strength-ening of the yen, although at some Foreign Exchange

point it might get oervous because too stroog a yen could push the Japanese ecocomy into recession." That point obviously has oot been reached, because oo help was

either sought by the Japanese or given by the Federal Reserve or other central banks when the Bank of Japan intervened Friday in break the yen's rise. To do so, said Mr. Cline, the

Group of Seven would have to join hands to declare a ceiling or at least a range, and "ooe problem with that is that currencies are like tennis balls - wheo they bounce back, it is usually higher than you want." Which also raises the question of why the yen did oot falter recently. as most currencies do during the

period of uncertainty in a change of government.
"With all the Liberal Democratic ministers, we're not sure it's a oew government or just the old government in oew clothing," replied Richard Benzie, currency ecooo-

to keep interest rates low, good oews for bonds but a different story for stocks. The implications for equi-ties is a two-edged sword, said Charles Comer, director of research at Credit Lyonnais Research. Slow growth dampens coosumer spend-ing and corporate earnings, but it also means the Federal Reserve Board will not have to raise rates in fight inflation, a "plus for getting the economy going," Mr. Comer said.

Telefonos de México was the

most-active NYSE issue, up 2 to 52 after the United States, Canada and Mexico resolved NAFTA problems. T2 Medical was active, down 2 in

6%. Its shares also plunged Thursday as its chief executive resigned and the company disclosed ac-counting irregularities and errors. The developments cast doubt on prospects for a proposed manage-ment-led buyout of the operator of infusion-therapy centers.

General Motors slid 11/4 to 46 after it announced relatively weak car sales for early August. GM's domes-tic car sales rose only 1.2 percent year-over-year in the 8 selling days. Domestic light-truck sales, fell 6.2 percent, particularly an-ooyed investors, traders said. (UPI, Bloomberg, Knight-Ridder)

### Now that Japanese business has learned to live with a strong yen, there is little short-term advantage in a weak one for Japanese indus-tries that live by processing import-

goods, especially when those raw materials are priced in dollars. Carl Weinberg of High Frequency Economics calculates that since the Plaza Accord of 1985 put Japan on the path of strengthening its curreocy, the price of a barrel of oil has declined from about \$20 to \$17, but from 5.120 to 1,734 in yen, and the same startling arithmetic ap-

plies in iron ore, coal and much "This is primarily a yen and oot a dollar issue," Mr. Weinberg said. This also happens to be the basic view of the Clintoo administration because the United States is likely to ohtain more quick improvement in its trade accounts by cutting its budget deficit than by fiddling further with the yen.

 Dollar Slumps in N.Y. The dollar was lower against both the Deutsche mark and the yen in New York trading Friday,

# Dow Jones Averages The Dow Daily closings of the Dow Jones Industrial average Standard & Poor's Indexes 508.05 506.03 507.01 + 1.53 706.24 704.09 706.17 + 0.24 100.00 179.25 180.00 + 0.71 44.77 44.77 45.00 - 0.03 409.25 44.94 420.14 + 1.10 416.85 415.47 416.40 + 1.13 NYSE Indexes 3400 NASDAQ Indexes 1993 Est. soles est 12,937. NYSE Most Actives **AMEX Stock Index** Dow Jones Bond Averages **AMEX Most Actives** Market Sales N.Y.S.E. Odd-Lot Trading NYSE Diary S&P 100 Index Options ed raw materials min finished **Amex Diary**

# **London Veils Large Trades**

NASDAQ Diary

LONDON — The London Stock Exchange revealed details Friday of oew rules that will slow the flow of information to investors about large trades of British equities. The rules will mean that such trades will be reported as much as five days after they are executed, compared with 90 mounted contract of the reported as much as five days after they are executed, compared with 90 mounted contract of the reported as much as five days after they are executed, compared with 90 mounted contract of the reported as much as five days after they are executed.

# Consumer Prices Rose 0.1% in July

1merit

iniin I

Million with the trainer

工.

172 --:

177°

422

WASHINGTON (AP) - Inflation remained under control in July, with consumer prices rising just 0.1 percent, the government said Friday.

Declines in most vegetables, meat, gasoline, fuel oil and tobacco helped Decumes in most vegetables, meat, gasonne, roet on and trouves aerged offset large increases in airline tickets, used cars, lettuce and fresh fruit. The seasonally adjusted gain in the Labor Department's Consumer Price Index followed no change in prices in June and an increase of 0.1 percent in May, offering more confirmation to economists that price increases earlier this year did not signal an acceleration in inflation.

In a separate report, the Commerce Department said businesses nereased their inventories in June by a modest 0.2 percent, the same as in May and a sign that they have a cautious ontlook for future sales.

# Veterans Department Bars Baxter

WASHINGTON (Combined Dispatches) — The Department of Veterans Affairs said Friday it had banned Baxter International Inc. and its units from competing for federal contracts for one year.

The department said an investigation that began in 1990 had found that Baxter, the world's largest maker of health-care products, had tricked leaver, the world's largest maker of health-care products, had tricked veterans' hospitals and the military into buying extra medical supplies.

Marie Conway, an analyst with NatWest Securities Corp. in New York, said government contracts generate \$130 million of annual sales for Baxter, said government also banned Baxter's two top executives and a former the department also banned Baxter's two top executives and a former than the product of the produc executive from government bidding, partly because of Baxter's felony conviction this year for cooperating with the Arab boycott of Israel.

# Fieldcrest Cannon Bid for Amoskeag

NEW YORK (Combined Dispatches) — Fieldcrest Cannon Inc., the United States' largest manufacturer of towels, agreed Friday to make a tender offer of \$40 for each of Amoskeag Co.'s 3,441,000 common shares, the companies said. That would value the bid at almost \$132 million.

Amoskeag holds 30 percent of Fieldcrest's common and has 81 percent of the company's voting power.

Amosked into Soverno Amosked Said Fieldcrest's offer would start within five Fieldcrest and Amosked Said Fieldcrest's offer would start within five business days and would be followed by a merger making Amosked a business days and would be followed by a merger making Amosked Transfer holly owned Fieldcrest subsidiary.

Borland Will Appeal Lotus Ruling

SCOTTS VALLEY, California (Bloomberg) — Borland International
Inc. said Friday it would appeal a ruling by a federal district court in
Boston that a device made by Borland infringed a copyright held by Lotus Development Corp.
Steven Grady, a Borland spokesman, said the company would appeal

Steven Grady, a Boriand spokesman, said the company would appeal the decision, disclosed Thursday, before a trial to set damages.

Mr. Grady said the decision, if allowed to stand, could have a "major impact" on the computer and software industries, which are increasingly moving to open systems. "This judge has said building compatible systems is illegal," he said.

# Smith Barney Ends Lehman Pact

NEW YORK (Bloomberg) — Smith Barney Shearson Inc. ended an arrangement that had provided it with stocks underwritten by Lehman Brothers Inc. as well as the firm's research.

Lehman agreed to provide stocks and research for as long as two years when its parent, American Express Co., agreed in March to sell its Shearson brokerage and asset-management contrations to Primerical

Shearson brokerage and asset-management operations to Primerica Corp., which owns Smith Barney.
Brokers said the decision to end the arrangement early was an attempt

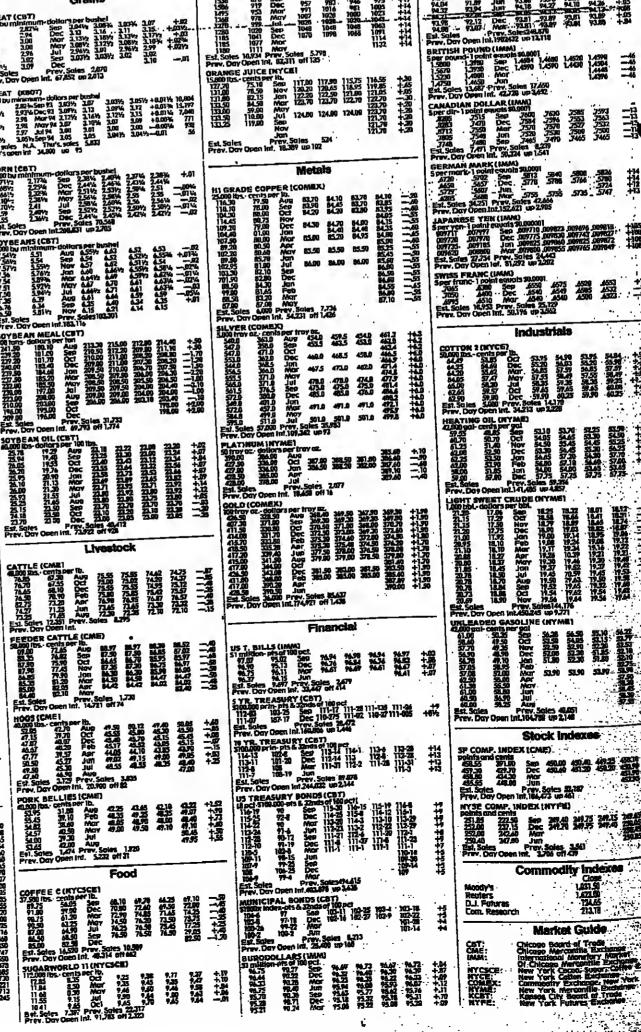
by the firm to establish itself as separate from Lehman.

For the Record Tele-Communications inc. had second-quarter net income of \$31 million, or 7 cents a share. A year earlier, it earned 59 million, or 1 cent a share, on continuing operations. Caterpillar Inc. will halt production of buildozers for two weeks next month because of lagging demand and growing supply. (NYT)

DMI million - pris of 100 pcf
Sop 94.11 94.06
Doc 94.11 94.06
Mair 94.06 94.25
Jun 94.06 94.25
Jun 94.07 94.25
Doc 94.25 94.35
Sop 94.45 94.35
Sop 94.45 94.35
Sop 94.45 94.35
Sop 94.27 Pcf 100 pcf
LONG Gill Tillippe 1
13.00 pris 4.33 33 30 30 pcf
Sop 113-13 111-26 Certain offerings of securities, financial services or interests in real estate published in this newspaper are not authorized in certain jurisdictions in which the International Hernd Tribune is distributed, including the United States of America, and do not commune offerings of securities, services or interests in these jurisdictions. The International Herald Tribute assumes up responsibility whatsoever for any adver-**U.S. FUTURES** High Low Close Chg. Season Season High Low COCOA (NYCSCE)

#### Knight-Ridder reported. The U.S. currency finished at 101.90 yen, down from the Thursday's 103.00. The dollar also fin-The exchange, which said the rules were likely to be in force by oext at 1.7123 DM, down from of large trades and allow ORANGE JUICE INYCE! mist at UBS Secrities in London. "When everyone pressed the old government to do something, suddenly it wasn't there any more, so maybe it's oot such a good thing to Sep | 117,00 | 17,3 | Sep | 120,20 | 120,4 | Jon | 122,20 | 120,4 | Jon | 122,370 | 123,3 | May | 124,00 | 124,0 | Sep | Nov | Jon | Prev, Soles | 524 | 1, 18,389 | 109,192 1.7167 on Thursday. The Federal Reserve Bank of New York again remained conspicuously on the sidelines, as did the Buodesbank. 75.10 76.50 82.15 84.50 99.00 110.00 more competitive prices. Market makers who trade between themselves and companies that are involved in bids are not required in make disclosures under the oew rules. 1.5% +0.01% 10.804 1.12 +0.01% 11.197 1.15 +0.01% 7.040 1.09 +0.00% 771 1.00 +0.00% 722 1.04% -0.01 56 213 213 216% 210% 201 205 5.533 CORN 1 (28.17) CORN 1 (28.17) South thinthmum-dollars per bushel. 2.1714 2.1724 2 **WORLD STOCK MARKETS** 3 per bushel 2.8% 2.41% 2 2.44% 2.45% 2 2.51% 2.53% 2 2.56% 2.52% 2.38% 2.44% 2.51 2.95 2.56% 2.50% 2.42% 237% 240% 250% 250% 250% 250% 6.521/2 6.511/2 6.551/2 6.551/2 6.551/2 6.551/2 6.61 6.61 6.61 6.61 6.61 Sydney BHP Borol Boupoinville Coles Miver Comolico CPA CSR Dunlop Festers Brew Goodman Field Industrial Miner News Corp Nine Network N Broken Hill None Herwork N Broken Hill N Broken Hi ++++++++ MANAGE STREET

| Vew | 272.70 | 274 | 275 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 276 | 2 All Art Concodo
All Centrory
All Centrory
All Centrory
All Centrory
BCLE
BC Ges
BC Ges
BC Telecom
BF Rectify Hds
BF Brumdleo
BF Rectify Hds
BF Brumdleo
BF Rectify Hds
BF Brumdleo
BF Rectify Hds
BF Rect Ausi Electr
Asoli Chemical
Asoli Chemical
Bridgestone
Conon
Coslo
Doi Niesen Print
Doiwa House
Doiwa Securities
Full Sand
Full Sao Paulo
Benco de Brusil 955
Beneseo 1768
Beneseo 1768 3780 3255 3700 3746 4590 4590 2716 3000 2145 2170 2025 1970 114 177 148 741 3635 3650 3690 1440 1445 22 : 278.48 Frankturt 171.00 173
200 2419
2419 2409
2519 279 2809
2519 279 259
2519 279 259
2519 279 259
2519 279 259
2519 279 259
2519 279 259
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 2519
2519 Cerebos
City Dev.
OAS
Proser Neove
Ganina
Ga 5149 5187 00 01:50 00 01:50 00 01:50 00 01:50 00 01:50 190 577 762 5 762 5 762 5 762 5 762 5 762 5 762 5 762 6 762 Stockholm 373 477 162 405 263 375 129 146 204.50



湯湯



حكذا من الأصل

# Rebound Of 30% for **Ferruzzi**

AFP-Extel News

REREN

The Land

----

(5) U. H.

to facilities for

MILAN — Ferrazzi Finanziaria SpA shares recovered some of their lost ground Friday, closing 30 per-cent higher at 325 line (20 cents), on speculative buying that some anahe lysts likened to casino gambling

"How is it possible that a share in a company with almost zero capital, a mountain of debts and all manner of managerial improprieties to its name" could be worth nearly 330 lire? one analyst asked... "Only a madman could buy at these prices. It's like gambling

money at the casino."

Ferruzzi's shares were suspended for two days this week pending an announcement of a huge capital write-down and far larger losses than originally reported. When trading resumed Thursday, the shares initially fell by about 75 percent, to 101.1 lire, before climbing

back to 250 lire.

Small banks and financial instiuntions were doing most of the buy-ing Friday, dealers said, adding that there may have been an effort by Ferruzzi's large creditor banks to restore faith in the group's re-

structuring plan.
This week, Ferruzzi wrote down its capital to 205 billion lire from 1.37 trillion lire, cutting the nominal value of its shares to 5 live from

At the same time, an independent audit caused an increase in Ferruzzi's reported losses for the first five months of the year, to 1.165 triffion live from 491.5 billion. lire, and the cutting of 243 billion lire of sales that had been incorrectly claimed by its main industrial

# American-Midland Link Airlines Plan Code-Sharing in London

The state of the s

LONDON — American Airlines has agreed with British Midland Airways to push more connecting passengers through London onto each other's planes, the airlines said Friday.

The agreement means that flights connecting between American and British Midland will appear as one airline in computerized reservation systems, a procedure known as code-sharing.

The airlines said they would offer code-sharing on American flights to London's Heathrow Airport out of New York, Boston, Chicago, Miami and Los Angeles. British Midland flights involved would be between London and Amsterdam, Glasgow, and Brussels.

The practice gives the connecting flights of the partners higher priority for booking than would

American and British Midland would stand to pick up passengers that might otherwise have flown British Airways. BA is a rival of American on trans-Atlantic routes and of British Midland on routes between Britain and continental Europe.

American cannot fly passengers into London and then take them to continental Europe because

of restrictions in the commercial-aviation treaty between the United States and Britain.

Several major U.S. airlines - American, United and Delta — have complained that they were put at a competitive disadvantage earlier this year when Westington les British a carlier this year when Washington let British Airways enter into a similar code-sharing arrangement with USAir.

The American Airlines chairman, Robert Crandall, has in the past described code-sharing as a fraud on passengers because it creates the illusion that their trip would be on one airline, but he acknowledged that his airline might have to go along if the industry heads in that direction.

Code-sharing has become increasingly common as struggling arrines forge different partnerships to expand markets. American's deal with British Midland will re-

uire approval from aviation regulators in the British Midland has a code-sharing arrange

with United for flights between London Heathrow and Glasgow, Amsterdam, Brussels and Nice, France. This arrangement will continue, British Midland said. United declined comment on the plan, which seems likely to cost it some passengers

# Elf Revenue Edged Up in First Half

PARIS — Elf Aquitaine, the French national oil company, posted revenue of 102.7 billion francs (\$17 billion) in the first half, up 3.85 percent from a year ago, according to a legal notice published Friday.

cent, to, 5.28 billion francs.

Separately, the cosmetics concern L'Ortal SA reported first-half consolidated sales of 20.89 billion for the parent company totaled from a year ago.

Lafarge-Coppee SA, a maker of construction materials, announced first-half sales of 1428 billion francs, down 5.17 percent from a year ago. The company said that sales, if calculated on the basis of

Bon Marché, the departmentstore chain, posted an 8.7 percent rise in sales in the first half, to 11.85 billion francs: Sales in the first half

francs, up 7 percent from last year. 372.4 million francs, off 1.2 percent from a year ago.

Bonygues SA, the construction company, posted first-half consoli-dated sales of 28.4 billion francs, down 5.4 percent from a year ago, while the chemicals company Rhone-Poulenc SA had sales of

house, rolled up first-half sales of 10.40 billion francs, up 3.9 percent

# **Unilever Manages** A 7% Profit Gain In Tough Quarter

LONDON - Unilever Group, the British-Dutch consumer-products conglomerate, reported Friday a rise in second-quarter pretax profit of 7 percent and predicted little change in trading conditions for the rest of the year.

The company, which produces a galaxy of brand names such as Lever detergents and Elizabeth Arden cosmetics, said pretax profit rose to £564 million (\$830.3 million) from £526 million, with sales up 6 percent in £6.66 billion.

Analysts were encouraged by the results, which showed that the company was resilient in difficult conditions and was reaping the benefits of cost cutting.

The Unilever chairman, Michael Perry, said that despite difficult trading conditions, the group increased both its sales and operating profit by 6 percent for the half year, while overall profit margins were maintained at 8.1 percent.

The results for the first six months of the year illustrate the resilience of our brands in those markets affected by recession and their role as vehicles for growth elsewhere," Mr. Perry added.

He said the strong performance of Unilever's businesses in growing economies, in particular South America and Southeast Asia, was becoming of increasing impor-tance. European activities, which produce more than half the profit, saw operating profits marginally lower, but market shares were held. In Germany and Italy, results

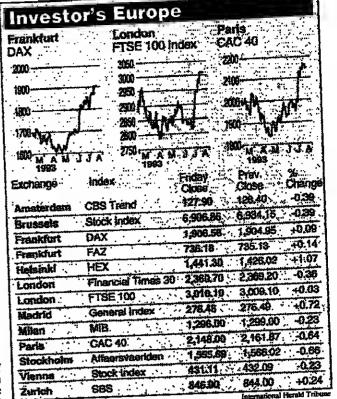
improved, while Britain was uoder pressure from competition in the tea market. In North America the results were affected by iotense competitive activity, especially in pasta sauces and fabric detergents.

A Smith New Court analyst, Tim Potter, said results were reassuring and showed resilience in difficult trading conditions in mature mar-kets. They are getting more efficient every time they report results," he said. However, he said he remains bearish on the stock price, believing that it peaked last year in recognition of Unilever's resilience in a global downturn.

A Daiwa analyst, Bridget Gander, said Unilever was in the process of introducing a new range of concentrated liquid detergents in the United States. They were quite positive about the new product range, which they say will be priced on a par with Procter & Gamble, she said. This apparent change from its previous policy of selling at a discount to P & G amounts to an effective price rise, although much of the benefits will be spent on strong marketing for the new

products, she said. Ms. Gander said overall, the sales growth was particularly strong. Of the 6 percent sales increase, 2.5 percent was price and the rest was underlying volume growth and acquisitions. She said high-margin prestige products, such as Calvin Klein perfume, had seen very strong growth in the United States.

(Reuters, Bloomberg, AFX)



#### Very briefly:

 Virgin Megastore of Britain was ordered by a French court to pay two trade unions a reduced civil penalty of 200,000 francs (\$33,200) for ignoring a French ban on Sunday trading.

Greece's parliament passed a bill clearing the way for the partial privatization of the Greek Telecommunications Organization.

• France's industrial production fe0 1.9 percent in the first quarter of 1993 from the previous quarter, when it had suffered a 2.7 percent drop. · Corporación Banesto, the holding company of Banesto SA, said it would sell a 35 percent stake in the steelmaker Acerinox SA in September. • Lufthansa said it had sold a 12.22 percent stake in Penta Hotels in Ramada International Hotels, which already owns 49 percent of Penta. • Germany's steelmakers suffered a drop of 4.7 percent in new orders in

the second quarter of 1993, the country's steel association said. Bloomberg, Reuters, Knight-Ridder, AFX

#### constant exchange rates, were down 4 percent in the first half. 40.03 billion francs, off 6 percent. Sales for Elf's parent company fell in the same period by 4.9 per-Christian Dior SA, the fashion

Continued from Page 1 greater control of international currency flows. Many observers promptly read that as the lannehing of a trial balloon for the reimposition of capital controls. Indeed, so worried was the Federation of German Banks that on Friday it felt moved to deflate that balloon, issning a statement saying that the recent currency crisis -"cannot be used as a justification to intervene in the free movement of capital."

Economists across Europe reacted harshly to the idea, likening it to treating a symptom at the expense of the patient's long-term health. In the near term though, many conceded that controls might just work.

If the idea is to throw sand in the machine of

currency speculation it might well have that effect," conceded Michael Burke, a currency

Governments could not stop speculation by imposing controls on capital flows, thus denying speculators free access to their currencies in their home markets. But by forcing speculators to buy their correncies in offshore markets, countries could effectively quash most bets by making them prohibitively expensive.

.This presents a philosophical problem for advocates of European unity such as France. Such restrictions on the free flow of funds across borders would fly in the face of the principles of the single market and the Maastricht treaty on economic and monetary union for the European Community.

"It goes against the whole idea of Maastricht by doing a complete U-turn and trying to control everything again," said a French banker who requested anonymity.

Many economists contend controls on the free movement of capital, no matter how laudable the intentions behind them, would damage European growth prospects. Klaus Friedrich, chief economist of Dresdner Bank in Frankfurt, equated capital controls with denying the free convertibility of European currencies.

Facing likely opposition from such traditionally fierce defenders of free markets as Britain and Germany, Paris has an uphill political struggle in any attempt to set capital controls. In that light a French banker lists his government's only real option as, "grin and bear it."

In fact, most experts feel France has little choice now but to swallow its pride and risk a further slide in the franc by cutting interest rates. "France must choose between employment and prestige," concludes Mr. Friedrich.

were aimed at stemming job flight to Mexico, where labor is cheaper, and preventing further industrial pollution, especially along the Mexi-

The hostility of Mr. Gephardt, who ran for president in 1988 on a platform calling for more confrontational trade policies, makes the administration's uphill struggle for congressional approval even more difficult, said Representative Robert T. Matsui, Democrat of California.

Members of Congress have long predicted that the administration will face a tougher fight in the House than the Senate.

This predictioo seemed to be borne out Friday when Senator Max Baucus, the powerful Mootana Democrat who heads the Environ-ment Committee and has wavered on the pact, said that "if these side agreements live up to

Some of the Democratic Party's most loyal constituencies, including labor unions and some environmental and consumer groups, contend that congressional approval would result in the loss of hundreds of thousands of American jobs to low-wage, heavily polluting factories in Mexico.

The Clinton administration contends that the agreement would create jobs and clean up the environment by encouraging exports to Mexico, which has steep tariffs on American

To the dismay of supporters, the White House has given only tepid support to the agreement this summer.

Mr. Clinton strongly backed the free-trade pact at the start of his candidacy two years ago.

MONEY: Foreign-Exchange Speculators Laugh All the Way to the Bank NAFTA: Agreements on Labor and Environment Unblock Broad Pact As spring turned to summer last year and the outcome of the general election seemed to hinge on Rust Belt states where the pact is unpopular,

he muted his enthusiasm. Accused by President George Bush of walfling, and faced with a campaign staff as deeply split oo the issue as the party be leads, Mr. Clinton finally declared a month before the election that he would only push the agreement through Congress if three side agreements

could be occoriated. ■ Salinas Wage Pledge

Mr. Clinton, speaking in Oakland, California, said President Carlos Salinas de Gortari had personally pledged to make minimum wage standards part of the free-trade agreement, Reuters reported.

Mr. Clinton said the pledge resulted in the overnight breakthrough on side accords.

The product of the control of the co

Via The Associated Press

DAY YIG PE 1005 High LawLatest Ch'ec

## Europe du SuC | 1772 |
## JOCCT | 1571 |
## Amerikaus du Nord | 1571 |
## Sub-Est Abstatope | 5 |
## Such-Est Abstatope | 5 |
## Such Alam Fullio Lisa(176) |
## Such Bermudo Lita(189) |
## J Globbi Herde USD | 7 |
## J Globbi Herde USD | 12 |
## J Globbi Herde USD | 13 |
## J Globbi Herde USD | 14 |
## J Globbi Herde USD | 15 |
##

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; CS- Canadian Dollars; DM - Deutsche Marks; ECU - European Currency Unit: FF - Franch Francs; AS - Australian Unit: LF - Luxembourg Francs; p-pence; Plas - Pesetias; SGS - Singapore Dollars; SF - Senss Francs; Y - Yen; a - asked + - Offer Proces; NA - Durich Plorin; Lif - Italian Unit: LF - Luxembourg Francs; p-pence; Plas - Pesetias; SGS - Singapore Dollars; SF - Senss Francs; Y - Yen; a - asked + - Offer Proces; NA - Not Consmunicated: D - New: S - suspended; SF - Stock Split: "- Ex-Dividend; "- Ex-Ris; - @ Offer Price incl. 3"- pretin. charge; -- Paris exchange: Hold Available; N.C. - Not Consmunicated: D - New: S - suspended; SF - Stock Split: "- Ex-Dividend; "- Ex-Ris; - @ Offer Price incl. 3"- pretin. charge; -- Paris exchange: Hold Available; N.C. - Not Consmunicated: D - New: S - suspended; SF - Stock Split: "- Ex-Dividend; "- Ex-Ris; - @ Offer Price incl. 3"- pretin. charge; -- Paris exchange: Hold Available; N.C. - Not Consmunicated: D - New: S - suspended; SF - Stock Split: "- Ex-Dividend; "- Ex-Ris; - @ Offer Price incl. 3"- pretin. charge; -- Paris exchange: Hold Available; N.C. - Not Consmunicated: D - New: S - suspended; SF - Stock Split: "- Ex-Dividend; "- Ex-Ris; - @ Offer Price incl. 3"- pretin. charge; -- Paris exchange: Hold Available; N.C. - Not Consmunicated: D - New: S - suspended; SF - Stock Split: "- Ex-Dividend; "- Ex-Ris; - @ Offer Price incl. 3"- pretin. charge; -- Paris exchange: Hold Available; N.C. - Not Consmunicated: D - New: S - suspended; SF - Stock Split: -- Ex-Ris; -- @ Offer Price incl. 3"- pretin. charge; -- Paris exchange: -- Par

(Continued) 20 140 140 140 231 24 214 71 1.500 4.0

Oiv Yid PE 100s High LowLowest Chipe Lak 148 164 148 20 101e 62 13 13

DEFICIT: Does Clinton's Plan Give the U.S. a 'Sustainable' Budget Gap? Continued from Page 9

and revenue growth imply that the five-year budget just passed by Congress will generate a deficit that is very close to sustainable. In 1998, Mr. Buiter estimates, interest obligations on the debt will exceed the primary budget surplus by about \$40 billion — a mere 0.5 percent of national output.

There are catches. For one thing, \$40 billion in nothing to sneeze at in the penurious new world of federal budget-making. For another, it would be more accurate to say "\$40 billion and still counting.

The deeper conundrum, though, is how to

1.56 5.7

Div Yid PE 100s High Law Latest Ch'on

ing standards.

Thus, in a world in which foreigners are apparently willing to lead virtually unlimited quantities to the U.S. Treasury as long as they are confident that the dollar will retain its purchasing power, sustainability is what

But Benjamin Friedman, another Harvard

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

ur funu, iac

interpret sustainability. To Richard Cooper of Harvard University, it does not matter how the debt is financed, as long as the borrowing does not crowd out resources available for the productivity-enhancing investment that raises living standards.

Barry Bosworth, an economist at the Brookings Institution, goes a step further. "Saving is all that counts" in determining future living standards, he says. While the high rates of domestic investment permitted by world capi-tal markets are certainly desirable, it is the providers of the savings who will end up with the gravy.

**路** 磁

101.86
145.77
13.28
145.73
13.28
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.29
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26.20
26. 520,11 7070,16 7070,18 7171,18 7175,18 7125,19 - ADVERTISEMENT Aug. 13, 1993 INTERNATIONAL FUNDS | Pocific | 14.50 | Forestring Morket | 14.50 |
Finestring Morket	15.50	Forestring Morket	15.50
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
Forestring All E DES BANQUES POF	15.50		
For INTERNATIONAL INCO 33.42 34.11 14.84 7.42 14.35 ne Nith Sc. Trust i Em. Info. Sc. Trust i Glob. High Growth i High Inc. GNAVA F 92.00 94.08 1T.35 231.79 21531.59 131.92 201.09 216.84 59.90 12.51 10.26 128,158 urase Fund\_\_\_\_s slaba i Small Co Fd \_\_\_s 118-35 38-31 152.20 166789.87 1486165.40 11.07 12.52 12.54 11.07 13.72 POKUS BANK A.S. 472 428 565 236.53 193.38 836.04 445.40 294.81 208.11 270.70 115.39 77.98 185.63 154.24 105.59 135.81 290.57 Fund Lld 16.77 10.59 1329 3137 10.17 36.68 23.56 32.51 24.74 43.73 41.51 15.19 13.04 11.39 12.13 12.85 TIGER SEL FUND 13.99 18.07 7.58 19.17 11.19 18.62 255,36161 15,66443 17,06712 1376,36189 34,47212 12,35440 The state of the s	The content of the nternational Fd\_S SOCIATES LTD pericun Quant Fd\_S d Singulari Talwan Fund		
d Equity Convert S.
d Equity Convert S.
d Elevisity S.
d M. Distribution S.
p 644.12.
d Elevisity S.
d M. Distribution S.
p 644.12.
d M. Distribution S. m Citioer formance PHI S.A. S
w The Good Earth Fund ... S
COWEN ASSET MANAGEMENT
Cover Enterprise Fund N.V.
w Closs & STS
W Closs STS
W Closs STS
W Closs STS
W Cas P privarial Fund ... S
W Cas P politer Fund ... S
W Cas P control for S
W Cas P politer Fund ... S
W Cas P control Fund ... S
W Cas P politer Fund ... S
W Cas P control for S
W Cas P politer Fund ... S
W Cas P politer ... S
W Cas P politer Fund ... S
W Cas P pol EP d MCA Fund Millennium Fut Lixi 3
d New Millennium Fut Lixi 3
d New Millennium Fut Lixi 3
d New Millennium Fut Lixi 3
d MA Inc. & Growth Fund 3
w Male Inc. & Growth Fund 3
w Male Portners Intit LP 3
w Male Protest Int LP 3
w Male Protest Int LIX 3
d NEP F.J.T. Lixi 3
d New Millennium Fund 4
d New Millenniu 1,0900 2,0000 4,7330 115300 18,9400 2,7400 2,5200 7,5500 9,3800 # MERICAL TIPE OF PIECE AS A SILVE OF PIECE AS 5.2700 8.7700 8.4700 5.2200 4.5300 7.2100 5.4200 8.1500 6.0100 43.95 11.26 11.60 11.13 8 779 K9 37.79 11.29 14.25 16.31 47684.09 12530.90 11.34 7.95 70.95 13.91 9.73 14.47 10.2780 1044,99 1949,00 1494,00 2534,00 1497,00 1130,00 2444,00 2774,09 2229,00 132,20 132,20 155,20 120972,00 Other Funds

w Actionissmer Stow

w Actinums Lid

w Actinums Stow

w Actinum Stow

w Ac 237 18 143.31 571.54
911.77
911.72
911.72
911.72
101.53
101.53
101.53
101.53
101.53
102.54
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
102.55
10 2460.02 1007.00 1234.38 1489.48 572° ±1 5924.70 5571.32 ±845.03 47°9.26 5592.72 1131.48 948.71 22.65 22.65 27.74 17.74 18.57 12.57 12.57 17.76 17.76 18.77 17.76 18.77 2 28.79 BF 187161.90 DM 799.79 3 1344.17 FF 1522.76 ECU 1198.05

Liku-sh

10 mm m 1 mm m

حكدًا من الأصل

# ttching? China Talks Seek New Bank Rules

HONG KONG — Chinese lead

ers including Vice Premier Zhu Rongji are huddled at a resort near Beijing working out major changes to the banking system, a pro-China newspaper here said Friday. The Hong Kong Commercial Daily quoted an unidentified

source as saying the changes would include permission for the People's Bank of China to issue currency and regulate the money supply to Mr. Zhu, who also heads the cen-

tral bank, and other mnamed senior leaders are in Beidsike a resort about 300 kilometers east of Beijing, completing the package of measures, the newspaper said.

The newspaper said specialist banks would also be given greater

freedom to fix interest rates based on a rate set by the central bank. China's banking system is crippled by a lack of freedom that turns the banks into cash sources for the government, rather than economic interest rates and credit levels, is set

by China's cabinet. W Swap Markets Criticized In a rare display of dissent over

China's heavy-handed efforts tocool the economy, Reuters reported a Shanghai newspaper has carried a strident attack on the city's

currency-swap market.

The Shanghai Xinwen Bao on
Thursday published a front-page. article by one of its readers complaining that the market, the largest of its kind, was hiding information. The reader, using the pen name Qing Ping, gave vent to widespread frustration among local business men about restrictive practices adopted by the market that are designed to curb buying enthusiasm for dollars and prop up the value of

# Li Ka-shing Takes a Profit Tycoon Cashes In Stake in News Corp.

He obviously

profit and go.

Mark Hodge, analyst

at G.K. Goh Securities

July 26 that it had paid Hutchi-son \$525 million for the stake in

Hutch Vision, the parent of

The purchase price was paid

half in cash and half in shares,

which until Friday placed Mr. Li

**Optimism Pervades Bombay** 

decided to take the

SYDNEY — Li Ka-shing, Hong Kong's wealthiest man, has boosted his fortune by a ferther \$25.9 million after selling News Corp. shares received as partial payment from Rupert-Murdoch, chairman of News Corp., for a stake in Asia's larg-

News Corp. said Friday that Mr. Li had sold 6.27 million American depositary receipts in News Corp. just three weeks af-ter Mr. Murdoch bought a holding of 63.6 percent in STAR-TV. News of the transaction helped to make Hutchison Whampon Ltd., Mr. Li's property and relecommunications concern, the best-performing stock m Hong Kong o Hang Seng in-dex of blue chips on Friday. The shares rose 3.7 percent to 22.40 Hong Kong dollars (\$2.88).

News Corp. said that Hutchison and other companies con-trolled by the Mr. Li's family had sold the American depositary receipts of News Corp. to a range

among News Corp.'s top 20 of U.S. institutions through sharcholders with about 2.7 per-Goldman Sachs & Co. cent of the company.

"I would imagine it was al-A spokesman for Hutchison in ways his intention to sell the Hong Kong described the sale of News Corp. shares at some stage," said Mark Hodge, an an-alyst at G.K. Goh Securities, the shares as "very straightfor-ward." Acquired for \$41.87, the News Corp. depositary receipts were sold for \$46, he said. and with the share price rising around 10 percent in 10 days he obviously decided to take the

Mr. Li, whose fortune is estimated at \$6 billion, has retained profit and go."

News Corp. announced on a 36.4 percent stake in STAR-TV, which has an estimated 45 million viewers in 38 countries

across Asia. Mr. Murdoch's move on STAR-TV followed his withdraw al from a plan to buy 22 percent of a rival Hong Kong company. Television Broadcasts Ltd., because of regulatory obstacles.

News Corp. will fund the cash payment to Hutchison Whampoa through a convertible preference share issue.

On the Australian stock market, News Corp. shares closed 15 cents down Friday at 8.90 Australian dollars (\$6). (AFP, Bloomberg)

# Japan Economy Not at Bottom, Says Minister

Compiled by Our Staff From Disputches TOKYO - Finance Minister Hirohisa Fujü said Friday, without elaboration, that Japan's economy had not yet hit bottom.

Mr. Fujii reported that several cabinet ministers including himself, Deputy Prime Minister Tsutomo Hata and Hiroshi Kumagai the minister of international trade and industry, would meet later this month to map out a strategy to spur the economy.

It could take time for the eightparty coalition government of Prime Minister Moribiro Hosokawa to take measures to prop up the economy, analysts said.

Mr. Fujii also said be viewed the soaring yen as serious. His comment came on a day in which it was announced that the appreciation of the yen, an unusually cool summer and protracted economic sluggishness had cast a pall over smaller Japanese companies.

The number of Japanese businesses that went into bankruptcy declined in July, but analysts said the respite was only temporary.

"The economy remains sluggish and business earnings have not shown any signs that they have hit bottom," said Shigeru Ogata, an analyst at Tokyo Commerce & Industry Research Co., which specializes in credit ratings.

In July, there were 1,167 cases of bankruptcy with debts of more than \$100,000. The number was down 1.3 percent from June and 1.4 percent from a year earlier. Bankruptcies caused by the economic slowdown accounted for 57.2 percent of all cases in July, surpassing 50 percent for 16 months.

In June, the Economic Planning Agency had predicted that the worst of the recession was over although the economy had not yet embarked on full recovery.

Meanwhile, Japan's Ministry of Finance won approval to restrain growth in government spending in the coming fiscal year. Mr. Hosokawa's cabinet backed the ministry's request to bold spending growth starting next April to a 3.8 percent increase.

This will bring to 41.45 trillion yen (\$402 billion) the maximum that government agencies can request in the general accounts, which exclude debt servicing and subsidies to regional governments.

The budget ceiling is usually set by late July, but was delayed this year by the political turmoil that culminated in Japan's first government in 38 years not led by the Liberal Democratic Party.

Government agencies are due to submit their budget requests by the end of August, kicking off marathon negotiations among minis-tries. The budget will then be up for legislative debate in January.

Japan's tight budget, caused by falling revenues, prompted the Fi-nance Ministry to set a low ceiling on overseas aid for the coming fis-

vear. Military spending growth will be held to a 1.95 percent increase. Actual military spending grew by only 2 percent in the current budget, the smallest increase since the beginning of the 1960s. The Finance Ministry had initially wanted flat growth in defense spending, arguing that the yen's recent appreciation would help Japan save dollar-

(Reuters, Bloomberg)



#### Very briefly:

• China and South Korea agreed in principle to launch their first jointventure satellite. Details are under discussion, but China seeks South Korea's semiconductor and electronic-equipment manufacturing skills. and Seoul needs China's satellite-making and launching technology.

• Shinawatra Computer & Communications Co., which will launch Thailand's first communications satellite in December, said it had profit of 356 million baht (\$14.1 million) in the second quarter, up 149 percent from a year earlier,

 Kader Investment, a Hong Kong real-estate company controlled by China, is taking control of the construction concern Hoi Sing Holdings in a 174.2 million Hong Kong dollar (\$22.5 million) transaction.

• Vietnam said its exports in the first seven months of the year rose 19.5 percent from a year earlier, to a total of \$1.504 billion.

• The Philippines had a trade deficit of \$2.48 billion in the first five months of this year. Exports rose 12.6 percent to \$4.22 billion, but imports grew 19 percent to \$6.70 billion.

 Kowloon Motor Bus Co., Hong Kong's largest bus company, named John Chan, a former secretary for education and manpower in the colony's government, as its managing director, AFP, AP, Bloomberg

#### BOMBAY -Bombay stock prices hit a five-month high on Friday amid renewed optimism about the Indian economy, with exports rising sharply and favorable weather helping agriculture, brokers said. growth of just 1.2 percent, the economy picked up to 4.2 percent last year. The Reserve Bank of India predicted a

STAR-TV

"The market is moving up because there are no more political uncertainties, companies are reporting good results, the monsoon is good and inflation is

under control," said Brijesh Koshal, vice president of The Bombay 30-share index hit a five-month high of

2,522.48 on Friday, up 38.68 points for the day.

dence motion on July 28, Mr. Koshal said. "Now the government can focus on speeding up the economic reforms process it initiated two years 290." he added.

While the fiscal year ending in March 1992 showed

growth rate of around 5 percent for the current year. The central bank said agricultural output would grow 6 percent, almost twice that achieved last year. Agriculture is being aided by good June-September monsoon rains, which determine productivity in the rural sector, where 70 percent of India's 880 million people live.

Inflation has been brought down to less than 6 Doubts about the future have been allayed by Prime percent, from 13.6 percent a year ago, while exports Manister P.V. Narasimha Rao's defeat of a no-configure 27 percent in the first quarter of this fiscal year.

# TAXES: Europeans Take Aim at U.S. Budget Law

U.S. carmakers to ensure that most of their models remained under the tax thresbold. Some carmakers noted they might benefit from the

new measure because their models were priced just under the taxable level. Elke Martin, a spokesman for Saab Cars USA Inc. said the increase in the threshold was "obviously good

news" for the company. She said that Saab's most popular model had a \$31,700 base price and that buyers could avoid a tax. Robert Austin, director of Communications at Volvo Cars of North America, said only 10 percent of the company's cars sold in America were over the new \$32,000 threshold. The impact on Volvo will be

minimal." he said. Regarding the expanded limitations on deductions of interest payments, Doug Stanton, the tax director of Grand Metropolitan, said the company had lobbied vigorously against the introduction of the new provi-

1989 with its acquisition of Pillsbury Co. for \$5.8

The measure will retain two features which will enable some companies to offset new tax payments. U.S. subsidiaries whose net interest payments are below 50 percent of adjustable taxable income or whose debt-to-equity ratio is below 1.5 to 1 are

The new provision was proposed by the U.S. Treasury to strengthen measures against "earnings strip-ping," a perceived abuse in which a company pays interest on debt to its parent instead of dividends on earnings, which are taxable under U.S. law.

Among other leading European companies with large interests in the United States, the Swedish consumer-goods company Electrolux AB also said that the new provision could affect expansion plans.

The Federation of Swedish Industries said that it was opposed to both the enhanced and existing provisions under the earnings-stripping rule. "It does not take into consideration the fact that, in the beginning from their parent companies," said Sven Lodin, the federation's deputy director. "It means that the subsidiaries carry a higher tax burden than their American counterparts, in violation of tax treaties."

# **Malayan Banking Boosts Profit, Plans Expansion**

Compiled by Our Stoff From Dispatches KUALA LUMPUR - Malayan Banking Bbd., Malaysia's largest commercial bank, announced Friday a 41 percent rise in pretax profit, to 791.5 million ringgit (\$310 million), for the year ended June 30 and said it was expanding operations in both Asia and Europe.

The group also said it would double its authorized share capital to 2 billion ringgit and award a bonus of one common share for every two existing

Regarding expansion plans, Ahmad Mohamad Don, the bank's managing director, said that there were plans to expand branch operations in Cambo-

YM PE 1005 High LowLorest Chron

dia, Vietnam, China, Papua New Guinea and Uzbekistan, Mr. Ahmad said the expansion was in line with the bank's strong financial performance in recent years

Total assets increased 17 percent to 54.22 million ringgit. Loans grew only 7 percent to 33.98 million ringgit, while deposits jumped 19 percent to 36.5 million ringgit. "What we have just achieved

is a very tall order which may not be repeated this year," said Mr. Ahmad. "The economy seems to be moving quite nicely and if it keeps up, we can have 15 percent growth in group

# TO OUR READERS IN FRANCE

It's never been easier to subscribe and save with our new foll free service. Just call us today at 05 437 437.

A Secretary Control of the Control o

| Case | 10 | Fra | Fra

17 Morth
Heat Low Stock Div YM PE 100s High Low Latest Chrok 1.12 52 17 2 211/2 211/2 211/2 15 21 7 2 211/2 2 

Saturday-Sunday, August 14-15, 1993 Page 14

# externational Tribune Herald

### FIRST COLUMN =

# **Optimists Should Take** An Umbrella

TOCKS hit all-time highs in Britain and France this week, and a three-year high in Germany. Why? Expectations of lower interest rates and an economic revival to go with them. While these things are, of course, possible, adherents to the belief that every silver lining has its dark cloud can't help but feel a hit pessimistic about the sudden outbreak of

What the buyers are banking on is that the new, easy-on-the-wallet exchange rate hands will allow interest rates to be eased across the Continent. This may not happen. All the Deutsche marks that central banks sold to speculators to try to keep currencies in the more stringent bands of the exchange-rate mechanism have to be bought back; hy propping up their currencies with higher rates, the banks can do this more cheaply.

Apart from that, the architects of Europe still find their house of cards quite habitable. While few others can detect a pulse in the ERM, they are intent on keeping it going as

long as possible, with minimal revaluations. Even if authorities can bring interest rates down, the hoped-for economic stimulus may continue to elude them. This could happen if banks follow the example of their American brethren and borrow at lower short rates and lend the money to the government hy huying higher-yielding bonds, instead of lending to businesses. In any case, long rates have fallen markedly over the last two years and economies have gotten worse, if anything,

If the equity markets are shown to have guessed wrong about the ERM, it won't be the first time. Traders bought stocks ahead of last year's Danish referendum on Maastricht, thinking a "yes" would strengthen the drive to monetary union; when the vote came out "no," bourses fell 20 percent or more. Then in the fall, when it looked as if no expense would be spared to keep the system affoat and shares were languishing, Britain and Italy jumped ship and markets rose 30

Now we've come full circle, and the out-look is sunny again with no dark clouds in sight. But just in case, take an umbrella.

# Swedish Stocks Poised to Profit From a Decline in Interest Rates

By Philip Crawford

ESPITE the gradual rise of the Swedish stock market since last October and its steep increase over the past two weeks - the Affaersvaeriden Index has gained 8.3 percent since the ERM crisis erupted on July 29, closing at 1,293.3 last night in Stockholm it's hard to find an analyst who does not remain bullish on it.

To be sure, prospects for the Swedish market as for other European bourses, depend largely on the extent of anticipated interest rate cuts throughout Europe in the coming months. Indeed, the hig gains posted by many European markets over the past two weeks lend credence to the old adage that it's what people think will happen - not necessarily what in fact transpires - that makes the markets move.

But many analysts say that even a slight reduction in rates across Europe would lend the Swedish market the impetus to continue its upward climb. The devaluation of the Swedish krona last November, forced by speculative pressure, has already helped Sweden's export-heavy industrial sector, some note. Most significant has been the rise of the U.S. dollar against the krona - about 25 percent since November - since Swedish industrials are, on average, about 20 percent exposed to the U.S. market.

And while some of the largest Swedish companies have had a good ride of it lately and might appear ripe for profit-taking, say experts, other companies appear poised for further growth.

"We believe that lower interest rates will drive the Swedish market, and we're hullish on it," said Christian Diebitsch, who covers Sweden for Kleinwort Bensoo Securities in London. "Granted, the only thing that will raise confidence in the krona is earnings growth from the corporate sector, but we think that will happen, especially given the current weak krona versus the dollar. Over the next year, we forecast a 15 percent rise in the Aflaersvaerlden. We also think the exposure of Swedish industrials to the U.S. market will increase to about 22 perceot."

One premier Swedish company receiving favorable notices from analysis is automaker Volvo AB. Volvo had a dismal first quarter, posting a net loss of 280 million kronor (\$35.4 million), a performance company executives attributed largely to the overall decline in car and truck sales throughout Western Europe, particularly in Sweden. One

bright spot for the company was the U.S. market, and analysts are emphasizing that. "We have a long-term 'buy' recommendation on Volvo, due chiefly to expected lower interest rates, a strong U.S. dollar, and do-mestic cost reductions which the company has made," said Gustaf Von Essen, who tracks Swedish stocks for Hagglof and Ponsbach, a Stockholm brokerage.

Mr. Von Essen also said that Volvo would benefit in the long term from the June split-up of Procordia AB, the Swedish food and pharmaceutical conglomerate. Volvo and the Swedish government had held stakes of 39 percent and 34 percent, respectively, in Procordia, which was broken off into two divisions, one for food, the other for drugs. Volvo now holds 73 percent of the yet-to-be-named food husiness and 25 percent of the "new" Procordia, which is solely a pharmaceunical operation, said Mr. Von Essen. "We also have a 'buy' on Procordia shares," he added. "We think they are undervalued."

The devaluation of the Swedish krona last November has already helped Sweden's exportheavy industrial sector.

insisted on anonymity, echoed the "huy" ratings on both Volvo and Procordia, She added that Volvo would benefit from its rumored merger with French auto giant Rensult. "The merger will happen, it's just a question of when," she said. "Neither company is saying anything right oow, hut I think the merger will happen before the hig privatizations begin in France sometime this fall."

Some analysts are recommending shares in telecommunications giant Ericsson (L.M.) Telephon AB, Ericsson's first quarter was a stellar one, with orders up 34 percent to 17.4 hillion kronor and consolidated net sales rising 36 percent to 12.8 billion kronor, compared with results a year ago.

"Despite the strong showing by Ericsson shares recently, we feel that the market is not fully discounting the dramatic growth prospects for general telephone equipment and mobile systems in developing countries.

where Ericsson has a major presence," said Ian Macleod of NatWest Securities in Paris. "We rate the shares a 'buy." Mr. Macleod also gave a "buy" rating to shares of Asea AB, the holding company that owns 50 percent of ABB Asea Brown Bovari, the Swiss/Swedish utility and eogineering

"Asea is perceived as a late-cycle stock, hut it will behave like an early-cycle stock amid a recovery," Mr. Macleod said. "It's also highly geared to small increases in demand, so even if demand growth is slight, I see Asea's profit margins increasing from their current level of 6 percent to about 10 percent in the long term."

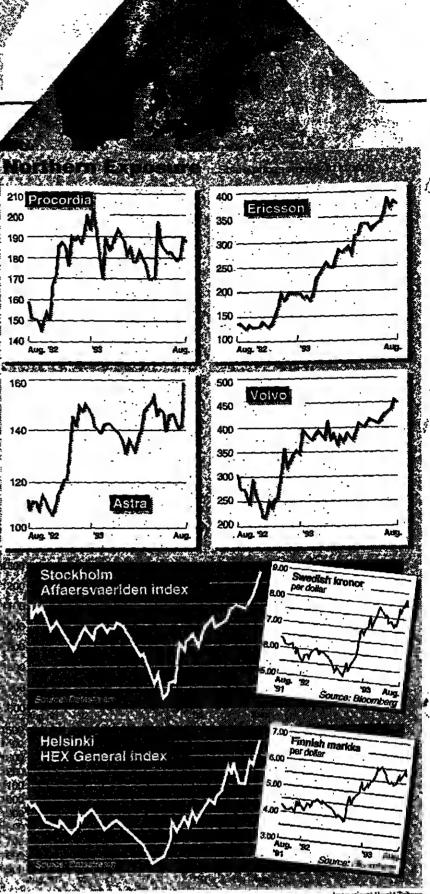
Not everyone is tonting Ericsson, however. Michael Sjowall, who follows the Swedish market for Barclays de Zoete Wedd in London, says that many of the market's hlue-chip companies such as Ericsson, construc-tion machine and mining concern Atlas Copco AB, and home appliance manufacturer Electrolux AB warrant only a "hold"

"Those companies have already gone up too much," he said. "Much more interesting for investors are some of the smaller Swedish companies which are poised for greater

Examples of such companies, said Mr. Sjowall, are Svedala Industri AB, which manufactures products for the mining and mineral processing industries, Marieberg Tidnings AB, the newspaper publisher, and Incentive Industri AB, the materials-handling and transportation firm formed in 1991 when Asea was divided up.

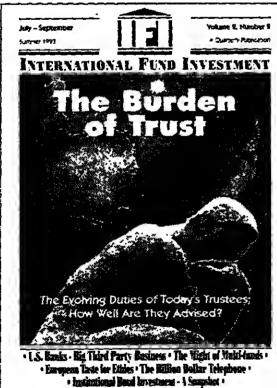
Other analysts concurred with Mr. Sjowall's "hold" ratings on Electrolux and Atlas Copco. "It's oot that we don't like the company, quite the contrary," said Peter Dupoot of UBS Ltd., regarding Atlas Copco. "The general view is that it's a very strong company with an excellent record. It's just that that is already reflected in the

Another Swedish company getting positive reviews from analysts is the pharmaceu-tical research, development and manufacturing concern Astra AB. Astra reported a huge first-quarter pretax profit increase of 63 percent, to 1.74 hillion kronor. This result, although somewhat inflated due to currency considerations, still prompted many analysts to reassim "buy" ratings on the company's shares. Among Astra's mainstream products are Xylocaine, one of the world's most widely used local anesthetics.



# THE CENTRAL SOURCE ON FUND

# INVESTMENT



I.F.I. is the one and only publication devoted to providing unbiased coverage of this fast developing sector of the financial world.

Please send me the next 4 issues of I.F.I. for US\$120 (FF.700)

Reactions to I.F.I. have been highly enthusiastic, demonstrating that the magazine is badly needed by the asset management industry.

Institutional Information Intermediary Institutional Intermediary Institutional Intermediary Institutional Intermediary Institutional Institut

"I found it to be of great interest." Gilbert de Botton - Chairman - Global Asset Management.

"You have made our industry appear as exciting in print as it is in real life. Congratulations." Marc.L.Landeau - Chairman - Olympia Capital Management.

"A great diversity of valuable information relevant to many areas." Sir Marc Cochrane - European Director - G. T. Management.

"It is very interesting and professional... It really will fill a gap in the market." lean Paul A. Franco - International Director -Crossfinance S.A.

"It reads brilliantly and appears to be receiving universal approval." Mark Adorian - Managing Director - Micropal.

Topics include:

• Fund analysis and performance.

• Opportunities and pitfalls in the markets.

• Developments in investment

Please charge by credit card Amex Visa Access

NHT VAT matter: FR74732021126)

management. Custody and administrative issues.
Regulation and technology.

Personality profiles.

Herald Eribune.

\_\_ Exp date\_\_\_\_

PLEASE TICK ONE BOX WHICH INDICATES YOUR PRIMARY BUSINESS FUNCTION:

I.F.I. is a quarterly magazine published by the International Herald Tribune.

Return your order to: International Herald Tribune, Simon Osnom.

181 Avenue Charles-de-Gaulle, 92521 Neurlly Cedex, France. Or fax to: (33-1 46 37 21 33)

# In Finland, Shares Surge as Markka Sags

By Conrad de Aenlle

that often springs to mind wheo thinking about Finland, but its stock market has been one of the world's best performers over the last year. The Hex General Index. the main yardstick for Funish shares, was trading near 1.425 late in the week, more than double its level of fast fall, when it began its advance from 600 by jumping close to 40 percent in a few weeks.

When a stock market rises that far in that short a time, there is seldom a single reason. In the case of Finland, a confluence of favorable circumstances have propelled shares higher. The one cited as having provided the higgest push is the devaluation of the currency, the markka, last fall, along with others in Europe.

The markka, also known as the Funish mark, has fallen to about 5.9 to the dollar from about 4.6 when the rally began. That means smaller gains for dollar-hased in-vestors, but it still works out to a return of close to 90 percent on the

With the markkn's fall, Finnish interest rates, which had been kept high to try to prop up the currency, came down, too. Rates, short and long term, have fallen faster in Fin-land than in many other countries on the Continent, Since October, rates on 10-year German govern-ment bonds have fallen about 0.9 percentage points, while rates on Funnish governments of the same maturity have dropped about 2.4

The weaker currency gives a big

competitive lift to Finland's large, any bourse in Europe last fall, little trickier. As prices rise, so do export-dominated industries such around 0.4. That means anyone expectations and the market's vulas. forest products, metals and who bought at the low was buying

"Competitiveness has been enhanced substantially" since the markka was allowed to float, said Stefan Guter, who follows Finland wide recession; economic weakness

chemicals. So does the reduction in credit costs that accrue, from the decline in rates. Companies in those industries have been relinancing and digging out from under heavy debt loads.

"Comparing and the loads."

"Comparing and the loads."

"Comparing and the loads."

for Carnegie International in Lon- is especially harmful to the sorts of

The weaker currency gives a big competitive lift to Finland's large, export-dominated industries such as forest products, metals and chemicals.

don. "Most investors have been heavy industry and natural re-looking for cyclical companies to source concerns that dominate the return to profite hillty. The Finnish Finnish market. ones have been able to recapitalize their balance sheets through pri-vate placements and rights issues."

At the same time, Mr. Guter notes, other operating expenses are falling, as well. "You see wages coming down and taxes falling on energy." Companies have been un-dertaking "cost-cutting measures you didn't think were possible be-

The lower rates and devalued currency were able to catapult stocks higher because the market was trading at absurdly low valua-tions before the advance began. Richard Davidson. European equi-ty strategist at Morgan Stanley. said the price-to-book ratio of Finnish shares was the lowest of

Another depressant was the hreakup of the Soviet Union, which had been one of Finland's biggest customers. The feeling now is that stability is returning to the new states and that business with them will pick up, if not sooner, then

"I guess you could say that's a long-term opportunity" for Fin-land Anders Bratenius, a Goldman Soviet Union. "Over the last three years, it's been a big negative. Now there's not much more to lose. Over

nerability to pasty surprises.

100

1114 3

"If the economy starts to turn around in the Western world, it will probably continue to move up."
Mr. Guter remarked. "Otherwise, in
it doesn't materialize, it has a correction to go through."

A report by J.P. Morgan raises a number of doubts about Finland's economic well-being that could hamper any further advance in stocks. It notes that unemployment in Finland's cyclic industries has sent the fiscal deficit to 15 percent of gross domestic product. Further declines in interest rates may be difficult with public finances in

such a state. The report also says that much of the edge that Finnish companies enjoyed after the markka was floated has vanished as the currencies of many of the countries to which Fin-land exports have failen, as well. The currency is the key to Mr.

Bratemus, who figures the market has room to fall some more, something he sees as vital to shares. "If the Finnish mark remains

weak, which is our view, there should still be more upside," he said. But not much more. He expects a 15 percent gain over the next year in markka terms, which of course means less for investors who do business in whatever currencies the markka is falling

For reasons such as that he is the long term, there's a potential at the top of our European markets, opportunity."

There wasn't much to lose in where we had it at the start of the Finnish stocks a year ago, but now year. Now we rate it slightly above that they have doubled, things get a average."

#### Lehman Brothers

is pleased to armounce the successful completion of the initial offering of

The Lehman Currency Advisors Portfolio N.V.

U.S. \$75,000,000

Initial Share Price U.S. \$10

Shares available for purchase daily. Copies of the Confidential Offering Memorandum may be obtained by contacting the undersigned.

LEHMAN BROTHERS

### A Financial Guide To Living Abroad

International Herald Tribune

A GUIDE called Working and Living Abroad offers imaginal advice and information on 35 countries where European employees are most likely to be posted.
The guide is published by EPMG
Tax Advisors, Runzheimer and Co.
and the Dutch publisher Samson
BedrijfsInformatie.

Much of the book is a compila-tion of cost-of-living statistics. The other main topic is taxation, in-cluding rates of income, social se-curity, local and capital gaths taxes and an explanation of tax treat-ment of various items typically found in an expansion of tax treatfound in an expatriate's compensa-

found in an expatriate's compensa-tion package.

The gnide, which will be updated every six months, costs 1,195 mil-ders (3625) per lassic for regular subscribers, or 1,795 gnilders (3540) for those who buy it just once. Information can be obtained by calling 31 1720-66767.

هكذا من الأصل

\*\*\*\*

The same of

. . . . . . . = 31

The state of the state of

and the original

e strings

#### THE MONEY REPORT

# Europe Gets a Jolt of Reality While Opportunity Knocks in Canada

Members of a panel of experis in economics and investment offer their opinions on the world's major economies, currencies and fi-



Howard Flight, director, **Guinness Flight** Global Asset Management

Let us be thankful that the markets have finally forced economic reality on the rest of Europe. With the Bundesbank perceiving Germany as still requiring a "sado-monetarist high interest rate policy to combat the massive fiscal deficit produced by unification, when the rest of Europe manifestly requires a substantial reduction in real and nominal interest rates in the face of worsening recession, a fixed or semifixed European exchange rate system is clearly inoperable. French conservative politicians in particular should be relieved, because, as has been the case for Britain over the last year, the significant reductions in French interest rates that can now be made will halt the accelerating decline in the French economy. I suggest France should now get on with cutting inter-

The most important implications of what has happened are political, in that they represent a slap in France's face by Germany.

From a French point of view, the Germans have consciously and deliberately wrecked France's long-planned federalist intentions for Europe, to be achieved via the requirements of a common European currency. It against the French franc

Outlook <

will probably take some time for France's changed political policies in Europe to emerge, but it must be likely that it will now seek to lead a coalition of other, and particularly Latin, European countries against Germany, where Britain may be wise to remain on the sidelines.

The exchange rate implications are not straightforward. While relative Deutsche mark strength against other European cur-rencies is probable in the near term, looking forward to the prolonging and worsening of German recession this implies will eventually accentuate the mark's weakness against all main currencies.

Within Europe, it must be assumed that France and Belgium, in particular, will now get on with reducing interest rates, and that their currencies will weaken by 10 percent to eir currencies will weaken by 10 percent to 15 percent against the mark. Sterling, the lira and the pescta have already had their depreciations against the mark over the last year and are, therefore, likely to strengthen against the French franc. Relative mark strength is, however, likely to be short-lived. It would serve to compound one of Germany's major economic problems — the lack of impetitiveness, which must in due course lead to a major German financial crisis. Only such a major crisis offers the pros-

pect of Germany making the necessary changes to fiscal and monetary policy required as the result of German unification: a massive cut in German welfare expenditure combined with more relaxed interest rate policies in order to get the East German economy going. The effective collapse of the ERM may mean a delay in such a mark crisis. Indeed, the next two or three months could see the mark strengthening a little against the dollar, given the continuing slow pace of the U.S. recovery, delaying a firming of U.S. interest rates. The Bundesbank has clearly signaled it does not intend to cut interest rates further while Germany's massive fiscal deficit continues and worsens. Beyond this, however, the change in German policy when it comes is likely to be accompamied by a substantial weakening of the mark against the dollar and the yen - and also

pened is wholly positive. It permits the necessary reduction in interest rates in European economies irrespective of Bundesbank



Christopher Kwiecinski, investment manager, Banque Indosuez, Global Private Banking

Half-way through the summer, dollarbased investors face two basic questions concerning the international investment scene. First, how much life does the bull market in U.S. bonds have left in it, or more broadly. how durable is the current low inflation environment? Second, has the U.S. dollar finally turned against the Japanese yen and is there still a lot of wind in the American currency's sails compared with the European currencies, particularly after the recent up-

The moderate price increases for May and June in the United States have quelled the inflation fears that were present in the financial markets earlier this year. Even so, price movements over the first half of 1993 should not obscure a longer-term perspective suggesting that inflation has bottomed. In his semiannual congressional testimony, the Federal Reserve Chairman Alan Greenspan has described inflation behavior this year as disappointing." Despite the slack in the economy and remaining disinflationary

structural forces, albeit with diminishing in-tensity in both of them, it is becoming more difficult to identify factors that would pull inflation down from current levels. On the contrary, faltering productivity growth, not to mention the recent Midwest floods, the likelihood of higher mandated employment costs combined with the new energy tax are bound to push inflation higher in coming months. This fact has not been lost on the precious metals markets, where recent price gains appear to be sticking, much to the delight of the gold bugs and to the befuddlement of the gold bears.

The yields on the longer-dated U.S. Treasury bonds are revisiting the exceptionally low levels reached in mid-July. With annualized infladon in the 3 percent to 3.5 percent range, a long-bond yield of 6.5 percent implies the bond is fully priced. The market had also priced in the congressional agree-ment on a budget deficit reduction program. Finally, while the administration has so far succeeded in bringing down sharply longterm interest rates and keeping them low, corporate America appears to be taking the opposite bet in raising financing by locking in the very low rates and stretching maturi-ties into the 50-to-100-year area.

Having found relatively slim pickings on their home markets, dollar-based investors need look only north of the U.S. border for somewhat more attractive opportunioes. Canada's easy monetary policy, stable currency, weak economic recovery and low infladon rate have all contributed to a steady decline in interest rates. Despite the high debt levels and the approach of this autumn's federal election, Canadian bonds make up one of only two major markets (the other is Australia) expected to deliver dou-ble-digit total U.S. dollar returns on a 12month view. With 10-year yields at very low levels at the end of July throughout the industrialized countries, only Canada and Britain had "high-yielding" (7.1 percent and 7.3 percent, respectively) bond markets, excluding the higher currency-risk Spanish and Italian markets. With low interest rates, its southern neighbor's economic recovery and improving outlook for industrial commodity and energy prices, Canada's equities should continue to outperform their U.S. counter-



Anna Tong, director, Aetna Investment Management (Hong Kong) Ltd.

Picture a country with a history of coups, corruption, natural disasters, rebels; then add to it a well-educated, English-speaking, low-wage labor force, oil discoveries and a government seeking economic reform, and what do you have? Some would call it a recipe for rapid growth, some would say it is a high-risk investment and still others would say it is a description of the Philippines. In fact, it is all three.

Few Asian stock markets generate as much dehate as the Philippines. Pessimists believe that the Philippines is destined for eternal Third World stams as a result of its checkered past and social-economic factors. Optimists take the view that the Philippines is now on the verge of an economic transformation that will make it one of the fastest growing economies in Asia. The reality lies somewhere in between.

Political instability and poor infrastruc-ture have discouraged both domesoe and foreign investors. Severe power shortages causing brownouts of 2 to 10 hours a day retarded gross domestic product growth by more than I percent in 1992 and threaten to be even worse this year. A heavy foreign debt burden and inefficient tax collection have undermined the ability of the government to pump-prime the economy and improve its infrastructure. Poverty, chronic unemployment and a high population growth have forced many of the most talented workers to join the millions of Filipinos working overseas. More recently, the country has also been the victim of a series of natural disasters, which lead the superstitious to believe that the Philippines is plain unlucky.

The good news is that its luck may finally be changing. The Philippines is blessed with a large and well-educated work force (population 63 million), abundant natural re-sources and close proximity to some of the fastest growing and wealthiest economies in the world. The Aquino and Ramos administracons have made efforts to improve the economy by undertaking tax reforms, for-eign exchange and investment deregulation. President Fidel Ramos, elected by a small minority of 24 percent in 1991, is today enjoying a 55 percent approval ratiog, largely due to his efforts to reform the economy and maintain political stability. The redevelopment of the former U.S. naval hase as Subic Bay as a commercial-industrial complex has received keen interest from local and foreign investors. The exploration of large oil and gas reserves in West Linapacan and Malampaya will significantly reduce dependence on oil imports and eventually enable the Philippines to become self-sufficient. Finally, fast-track power projects coming on stream in the second half of 1993 will substantially alleviate the power-shortage problem.

in fact, if one were to use the stock market as the traditional economie and confidence barometer, a transformation has alresdy begun. From the end of 1990 to July 30, 1993, the Manila Index has surged by 167 percent in U.S. dollar terms despite a volatile currency and weak economic growth. During this period, treasury hill rates have declined from approximately 28 percent to 11.5 percent in response to an inflation rate that has fallen from 19 percent to 7.5 percent. Philippine corporations have posted satisfactory results in the last two years in spite of the weak economy. We are forecasting an earnings growth of more than 15 percent for 1994.

Despite the stock market's limited liquidity, the Philippines is unique in Asia in offering investors diverse sectors, which include manufacturing, cement, oil, property. mining and a collection of conglomerates

ove or negative impact on the value

So, when the pools of mortgage-

backed securities are separated into

different tranches of income

streams (for example, interest only

or principal only), various risks

emerge. An increase in interest rates can have the effect of slowing

down the cash flow to the principal

in principal-only bonds. interest-only bonds are another

story. Mr. Ho said, "Three times

now in the past two years" there

were "huge prepayments" of these

bonds. When an investor is depend-

ing exclusively on the interest

stream of the bond, and the interest

is paid off early, the yield can evapo-

Of course, CMO advocates might

tor did collect the higher yield can

make the risk worth it. Ms. Shontell

of Fannie Mac said that an investor

who "bought something that you

thought was a five-year investment.

and it turned out to be a two-year investment, would still be getting

the yield that he wanted over the

two-year period, which is higher

than any other two-year investment

Oo the other hand, Mr. David-

son said, when the longer-term

bond is suddenly shortened by a

prepayment caused by a drop in

other consequences. For instance.

when a 10-year bond lasts only two

years because of a prepayment, you

do earn the higher yield, say 7 per-

cent, for the period it lasted, but

then "you have to reinvest, now at 5

**OFFSHORE** 

**FUND GUIDE** 

Fees & Minimum Investment Requirement

- Fees & Millarum investment resignations per personnence Deta
- US\$ 58.95 includes shipping
All orders must include US\$ bank draft peyable to Bachill Lat.
- Tal.: 809-849-5612 - Fax: 809-949-5613
- P.O. Box 30330, 7 Mille Bench Post Office.

Over 1000 Offshore Funds Nemes, Addresses, Telephone & Fax Numbers.

erest rates, the investor may face

he could have had."

rate leaving the investor bone dry.

# Card Companies Circle Wagons Against Fraud

By Digby Larner

N spite of global recessionary problems, the debit and credit card business is booming. So, too, unfortu-nately, is card crime. The problem has become so serious that banks around. the world have embarked on a three-year program to beat the feadsters. Card compenies are reluctant to say

how much fraud costs them, but a recent British estimate port the yearly figure at lower this year than last year," he said, \$250 million in the United Kingshm. One of the campaign's biggest successes slone. Other companies have branded together to be more vigilant. Banks have organized Now companies have branded together seminars warming people of what body and relief death over \$150 million to fight the linguises to warming people of what body

criminals, Apart from bringing in state-of-the-art card technology, the money will be spent on making customers and retailers more aware of what they can do to keep

Guido Heyns, head of risk management with Europay International in Belgium, says people need to realize how valuable. their cards are. "Cards are often stolen because they are left in people's cars," he said. "Worse still, some of them have the person's personal identification number attached. Under those circumstances, it is very difficult for us to beat crime. People must be made aware that cards are as valuable as cash."

In some countries, cardholders are asked to attend semmars where they are instructed on how cards can be abused. One piece of industry folklore claims that a bank in South America did this so well

that some of its customers put the lessons to practical use and defrauded the bank. In March, British banks launched a

ign called Cardsafe. More than £3 million (\$4.5 million) was spent on advertising and on distributing leaflets in banks and workplaces. Wynne Evans, of the Association for Payment Clearing Services in London, says early indicators show the campaign is working. "Although concan figures aren't available yet, there are signs the amount of fraud in the U.K. will be

and how to challenge suspicious charac-tets. Employees are also being offered a reward for any cards they recover.

. "We do not suggest staff should put themselves at risk," Mr. Evans said: "But if they retain the card, they can claim a £5 reward. They are also entered into a lot-tery where they could win £500." So far, more than 100,000 cards have been recovered thanks to the program.

In various other worldwide campaigns

employees have been interviewed to discover how careful customers are when signing for goods. At a recent card company conference held in Lausanne, Switzerland, a speaker told delegates that a comment made by one shop assistant outlined a typical problem. "If you show most customers a paper bag, they'll sign it," she said. Customers are urged to check bills carefully before signing them to ensure

properly so nothing can be altered later.

The industry has identified several areas where people are most volnerable to theft. Cars and the workplace head the list. People are often relaxed about their personal belongings at work and happily leave jackets and bags unattended. All too frequently, thieves wander unchallenged into offices and simply walk off with cards. Women, especially, are being targeted by the various campaigns because of the number of purses that are snatched.

PDATING card technology is the other side of the industry's mes hope the latest advances in card authentication and client verification will keep them several steps ahead of

In France, the widespread use of PIN numbers at the point of sale has caused a huge reduction in the level of fraud. At this year's Europay International conference in Switzerland, Max Auriol of Groupement des Cartes Bancaires in Paris, described how this massive project was undertaken.

"We chose this method in April 1990 and by the end of 1991 French Carte Bleu cards had chips," be said. "It took a fouryear program to put the system in place, involving all participants: issuers, ac-

quirers, retailers and manufacturers."
Now, PIN numbers are rouninely used at points of sale all over France. The effect been remarkable. From a level of levels.

they are paying the correct amount. They fraud at 0.148 percent of all transactions should also see that bills are filled out in 1989, the figure has dropped to 0.05 for

But card fraudsters are sophisticated criminals, often backed by large organized gangs. As soon as one problem is solved another takes its place. So card companies are looking at numerous new ways of foiling thieves. One method is to replace the magnetic strip on the back of cards with electronic chips. These can store more in-formation than the magnetic strip and are harder for criminals to manipulate.

Other plans, still a few years off, involve biometrics. Clients have to give physical proof they are the anthorized card user. Finger-scanning is one method. Dynamic signature verification is another, whereby a pad underneath the bills monitors the way the signature is written. While a practiced forger can make a signature look similar to the original, it will be written in a different way with pressure being applied wrongly.

But before these systems are used, banks have agreed that the number of mistakenly rejected cards should be limited to one in 100,000. To date, none of the biometric methods have reached this figure. A simpler alternative is to include the cardholder's photograph. Both the Royal Bank of Scotland and the National Provincial building society in Britain have experimented with this idea. Early results are promising but it needs to be adopted by many more British card companies before it has a significant impact on fraud

# Slices of Mortgage-Backed Pie

By Michael D. McNickle

higher yields are increasingly turning to mortgage-backed securities and their derivatives, collateralized mortgage oblipations or CMOs. European investors purchased \$8 billion to mortgage backs, including CMOs, risks and rewards of CMOs, broand Fannie Mae debt securities in kers who are oot employed by or 1992, up 50 percent from 1991, ac- under the control of issuers may 1992, up 50 percent from 1991, acounder the control of cording to the Federal National have another agenda.

Morigage Association. Along with the higher yields, the investment house with many years instruments bring a certain amount of controversy caused mainly by their complexity and the sensitivity ment is with the way they're markethey may have to changes in inter- ted . . . Wall Street's marketing is est rates. CMOs are essentially slices, called tranches, of the income streams of mortgage-backed securities pools.

There are many different ways to slice the pie and each one may be a little different from the other. The Federal Nacional Mortgage Associ-ation, better known as Fannie Mae. says issuers (like Fannie Mae) can create tranches "with many different interest rates, average lives, prepayment sensiovities and final maturioes." A published report earlier this year "alone has over 11,000 tranches outstanding, each a separate security," Fannie Mae noted. Hence the potential for confusion. Jayne Shontell, a senior vice presi-

dent at Fannie Mac. said, "They are tranches that are more complex than others [but] for those who understand them, they can find value, and it takes a certain sophisticated investor to make that investment."

How complex? Thomas S.Y. Ho, president of Global Advanced Technology, a New York firm that provides financial software for fixed-income securides and consulting services, and also co-publishes a CMO newsletter, said, "CMOs can easily run into 44 bond types." Some, like the Super Pac (Planned Amortization Class), are so safe, Mr. Ho said, that they resemble a "standard bond with a stable cash flow," while others, residuals, for instance, can be "very risky" and may, in some cases, offer "no stated cash flow."

Naturally, with that kind of selection of both generic types of bonds and individual tranches. there is plenty of room to make money, and costly mistakes. Knowing that, Ms. Shontell said, Fannie Mae makes an effort to provide detailed information on their CMOs (called REMIC) to prospec over the next year. The percentage tive investors and brokers who might sell them.

> TOP FUNDS North Star Group of Companies operates 33 investment funds which layer been awarded 1990, 1991 and 1992 17% p.a. in DKK on everage since 1984. 16% p.a. in DEM 17% p.a. in CHF 17% p.a. in FRF 21% p.a. in 68P 24% p.a. in USD

MKP Committeets 39 Toldhodgade, DK-1253 Copenhagen Tel.: 45-33 32 11 22, Fax: 45-33 32 67 17 Castedies Renkt: Den Danske Rank International S.A.

Ms. Shontell added that in addition to a certain amount of sophistication, investors "have to under-NVESTORS looking for stand the U.S. housing market and of the security." the mortgage market," as well as the impact that rate fluctuations can have on a CMO.

Despite the efforts of Fannie Mae and other reputable organizations to educate investors on the A broker with a major New York

in the field, speaking on the condition of anonymity, said, "My argudesigned to get a handle on some-

thing, you know a hot button and push it, and the key is beating interest rates. Show them [a] nice high rate, push the safety in the sense that its government backed, but don't fully explain what really happens if rates change dramatically.

pounded when investors accept information without checking it out or fully understanding what they have been told. Fannie Mae, for example, maintains a Helpline in Washington, which can independently check elaims about their products. However, experts say, people offormer congressional staff member who worked on House investment probes and is now director of the New Mexico Securities Division, said people sometimes rely too heavily on their broker's advice.

"There's a tendency." she said. "to relax and not really look carefully at some of these investments, and especially when you're in this low interest rate environment, people tend to want to get those higher yields, and they really need to think twice: Can they afford to lo-se . . . and what is the riskiness of the investment being presented to

Oddly enough, part of the prob-lem may be due to the CMOs' high credit quality. Andrew Davidson. president of Andrew Davidson & Co., Inc., in New York and a copublisher of the Ho and Davidson CMO Commentary, a newsletter, said, "Basically, the credit quality of most of these instruments people buy is top notch. There is very little risk of default in most of the CMOs that are sold, but there is risk of the

### OFFSHORE COMPANIES FROM ONLY USS250 More and more offshore companies and

high net worth individuals. ... for tax avoldance, privacy and protection of assats. Our organisation has provided distante lacifices protessionally, and at reasonable cost, since 1977.

For tree brackure explaining offshore structures and the advantages of the leading stradictions worldwide, contact:

INTERNATIONAL COMPANY SERVICES LIMITED rigo House, St. Johns, Isla of Maa G.B. Tet+44 CENTRAL FEX+44 CENTRAL lease send your complimentary brochuse Name

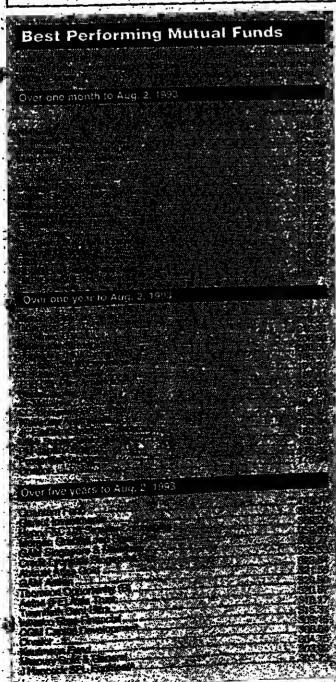
Arkitess



All Credit Cards accepted

TOLL FREE

UK 6800 269900 USA 1 800 2834444 1 800 8823988



# BRIEFCASE

Mercury Offers Fund On Emerging Markets

Mercury Asset Management has become the latest high-profile money manager to offer a fund investing in un-and-coming marinvesting in up-and-coming mar-kets to the retail investor. On Aug. 4, the London-based investment house launched the Mercary Emerging Markets Fund, a U.K. Authorized Unit Trust, which will focus primarily on shares in Asian

and Latin American companies.

Minimum investment in the fund is a £1,000 (\$1,500) hump payment, or £50 per month through a special installment program. A 2 percent discount on the fund's 5.75 percent initial charge will also be offered until Sept. 17. For further information, call (44) 71 280 2895.

J.P. Morgan Converts To 'Hub and Spoke'

J.P. Morgan & Co. is now the fourth major U.S. bank to convert a family of its funds to the "hub and spoke" structure, which was patented by Boston-based Signa-ture Financial Group last March. The two-tiered structure enables

"spoke" funds with identical inassets into a single "hub" fund with just about everybody.

The case involves bonds issued the same objective. Since all invest-Morgan's Pierpont group of funds Manhattan Bank.

"You immediately get economies of scale," Evelyn Guernsey, managing director of J.P. Morgan's U.S. fund management division, told Bloomberg Business News." It spreads costs over a larger portio- must give appropriate advice to cli-

proved the hub and spoke structure in April, a major step for Signature, which hopes that global regulatory approval will eventually follow. According to Signature, roughly \$25 billion in assets are now managed in over 100 hnb funds.

Value Line Ranks 1st In Newsletter Survey The Hulbert Financial Digest,

an investment advisory letter that examines the performance of other investment advisory letters, celebrated its 13th year in business by ranking the performance of the letters it follows.

The best newsletter in terms of absolute performance since the Hulbert report began publishing more than two years before the hull market began in August of 1982 is the Value Line Investment Survey, with a total return of 804.4 percent. The comparable figure for the broad-based Wilshire 5,000 stock index is 518.7 percent.

German Court Gives investors Protection

A court in Germany, a country that is not always investor-friendly. has issued a raling that ought to cheer investors who deal through vestment objectives to pool their banks. In Germany, that means

ment decisions are made at the hub by the failed Bond Group of Auslevel and marketing is carried out tralia. Many banks recommended at the spoke level, the inefficiencies purchase of the Deutsche markof operating separate funds with denominated bonds, then when the common goals can be avoided J.P. company collapsed, they told their clients they were on their own. The adopted the structure last month. German Federal High Court ruled as have fund families from Citi- that a bondholder who sued was bank, Bankers Trust, and Chase entitled to compensation because the bank that recommended the bonds had not made him aware of their inherent risk.

An analysis of the case by the law firm Clifford Chance said the court's message was that banks ents, based on risk and other char-Regulators in Hong Kong ap- acteristics of an investment, and

must take clients' investment experience into account, too.

Dividends increase But is That Good? While the love affair with mutual

funds has helped push up stock prices, market historians have been warning for a couple of years that dividends were not keeping pace, that the marker's average yield had fallen to a level that has spelled disaster in the past. Isu't it great news, then, that dividend increases have picked up steam and are running far ahead of reductions? Not at all, says Norman Fos-

back, editor of the newsletter Market Logic. He ootes that whenever there is a three-month period in which the number of companies that cut or omit dividends falls below 7.5 percent of the number that raise or resume dividends, the market, as measured by the Dow Jones industrial average, falls 2 percent recently was 6.

When bad dividend announce ments rise past 25 percent of good ones, the Dow has gained 19 per-cent over the following year. The reason for this bit of market perversity? "Only the most naive of investors react to what has already happened," says Mr. Fosback. "Most strive to anticipate the future, and when the dividend news is as overwhelmingly good as it is now, well, the unfortunate conclusion is that it can only deteriorate."

OLLEWORE COMPYMEN HORAL ENDINGHINE CHEMICS AMIS ASSETTATIONE PROTECTION Over 30 years experience in providing 55vices internationally for all types of but ASTON CORPORATE MANAGEMENT 19 Peel Road, Douglas, Isle of Man. Tel. 0624 626591 - Par. 0624 625126 or London Tel.: [71] 222 8866 - Fax: [71] 233 1519.

مكذا من الأصل

# Lewis Versus Christie: The 100-Meter Rivalry Is One-Sided

By Ian Thomsen International Herald Tribune

STUTTGART - As he saw the sun setting yellow in Ben Johnson's eyes, Carl Lewis knew he was looking at the fastest man in the world. That it was a speed fueled by drugs was irrelevant, one minute before the gun starting the Olympic 100meter final of 1988.

"Do I really want to put myself through this anymore?" Lewis wondered, and he wished the crowd would shut up so he could concentrate. For 10 crucial seconds, just before settling into the blocks, he thought like a loser. Eventually Johnson's gold medal would be handed over to him, like something from the lost-and-found, but that is not the point as Lewis returns to the World Athletics Championships this weekend. The lesson is that he understands, five years later, what others feel when they shake hands

When you come to a championship like this, and you've won it in the past and you've run well, I think people are aware of what you're doing," Lewis said. "I think a lot of people talk about what I do in a competition like this. They have to be aware because of the past record.

they do." he said, and he might have laughed

The favorite to win the 100 meters Sunday night is 33-year-old Linford Christie of Britain. The title of favorite is more like a dare. He won this event in 9.96 seconds at the Olympics last summer, but he did not beat Lewis, who was stifled by a virus during the U.S. team trials. Christie has beaten Lewis in two recent meetings. but neither was a championship event. He has fulfilled most of his dreams, but place them in the hand of the world's fastest human and they become moral victories.

It might strike Christie enormously Sunday night, as the two exchange their greetings, that his obsession with their rivalry is not at all

For Christie, this race would seem to be about beating Lewis. With eight Olympic gold medals each from the Olympics and the World Championships. Lewis has greater claims in mind. He still owns at least half of the 10 best performances in four events, the 100 and 200 meters, the long jump and the 4 x 100-meter relay. But he turned 32 in July, and whiplash lingers from his car accident in

"But in the end, they have to focus on what February, which forced him to give up the long ey do." he said, and he might have laughed jump this year. He will resume jumping next year, with expectations of breaking Mike Powell's world record and competing into the 1996 Olym-pics. "I do believe I can jump my farthest in the future." he said.

> Those plans are dependent largely on his per-formances in the 100 and 200 meters here. Once Christie had recovered from his own back problems, he was the one ducking Lewis's overtures for a match. This even though Lewis hasn't won a 100 in six tries this year, with a best of 10.07.

"If f was younger and less experienced, I might have a problem with that." Lewis said. "When you've been to three World Championships, three Olympic Games, and numerous other competitions in between, there's no question that it isn't easy for me to focus around the invitationals. I can't sit here and tell you anything differently. When you start your season and your coach says we'll be ready for this meet, and all season long you're preparing for that particular competition, then your focus will be at a peak level, and your concentration will be at a peak

"If I'm focused and concentrating, then I will start well." he promised. "I will be as focused as I've been all season. In the end, you want to be world champion. The other meets are just a

The two elders might very well be buried by Andre Cason, who beat Lewis in the U.S. trials, or by Frank Fredericks of Namibia, the silver medalist in Barcelona. For his part, Lewis need only recall his world record of 9.86, set at these championships in Tokyo two years ago. All that season he had been unable to overcome his Santa Monica teammate, Leroy Burrell, who had set a record of 9.90 two months before Tokyo.

(Burrell, injured during the U.S. trials, failed to qualify for these championships.)

"All of a sudden that was the goal for everyone to shoot for," Lewis said. "We realized that someone was going to have to run in the 9.8s to win that meet. Leroy set the tone of excellence that everyone had to shoot for."

The best this year is a 9.99 by Daniel Effiong f Nigeria. Christie's best is only 10.03. There's a difference in design, there's a dif-

ference in the tone that was set." Lewis said. "No one has run the fast time that everyone is shooting for. I feel very confident because I feel that I. can run those kinds of times that I ran just two years ago. I feel I'm in good condition and if I run well I can run those kinds of times. That's where my mind is now."

The professional era has allowed Lewis and Christie to exceed the suspected boundaries of age. In an earlier day, they might have retired in their 20s. Lewis claims to be stronger than he was 10 years ago, to enjoy training more. Then he adds, "I'd like to run well here to show myself that I've had an off season." And: "I want to run the kind of race I can run so that people can see me and not see the remnants of me that they've seen at these other meets."

His plan is to assert himself in the heats Satur-

"I think after the first round," he said, "everyone sees what's going on and people start to think about what others are doing more."

By "others" he means, hasically, himself. Which is to say, he is looking forward to the

# Morceli **Threatened** With Ban

STUTTGART - The LAAF'S president, Primo Nebiolo, said Friday that Algerian distance runner Noureddine Morceli risks being suspended for two months and barred from the 1996 Olympics if he

boycotts the World Championships. Marceli, the world record-holder and reigning world champion at 1,500 meters, has threatened to boycott the championships unless

he receives appearance money.

Nebiolo reiterated that no appearance money will be offered to any athlete and stressed that IAAF negulations specify that athletes se-lected by their national federations are obligated to compete in World Championships and Olympics, un-

less they are sick or injured.

Morceli resterated Foday that be would not give in to IAAF pressure. "The world championships are not very important for me because." I am already the world champion," he said from Switzerland, where he

is vacationing. Of the Olympic ban, he added: "In three years, things might change, there could be another president of the IAAF."

There were indications, however that behind-the-scenes negotiations were continuing in an effort

to convince Morceli to show up. Chicago end Florida's season-high The ban could be costly for the 23-year-old runner. He would miss ■ Coleman Must Stay Home the final two meets of the "Golden The New York Mets have told outfielder Vince Coleman to stay home until major league baseball conducts its own investigation of Four series, in Berlin and Brussels, ending his chances of collecting 20 hars of gold by winning his event at all foor meets.

Morceli has suggested that a few select athletes, including Carl Lewis, are being paid to compete in Stattgart.

But Nebiolo said, "I declare offi-cially that no money will be paid to an athlete to compete here and that no money has been offered. Some people have asked for a suite or a room, but this is completely different."

Earlier this year, top American athletes threatened to boycott the championships unless they received prize money but they backed down. As a compromise, individual winners will receive a new Mercedes automobile worth about \$30,000.

71

5<u>...</u> -

Bills Rout Chiefs
On another issue, Nebiolo said the controversial doping case of German sprinter Katrin Krabbe will be discussed by the IAAF

... Krabbe, who won the 100 and 200 races at the 1991 World Ch pionships in Tokyo, tested positive for drugs last year and was sus-pended for four years. The national federation is seeking to reduce the ban on the grounds that it is not recognized by German courts.

"We will face the problem," Nobiolo said. "I don't know what the council will do, but the item is on the agenda."

Italian officials said Friday that: shot and discus thrower Luciano Zerbini, 33, had failed a drug test and faces the automatic four-year

The national discus champion who is from Verona, failed a drug urine sample Friday confirmed the

SIE PROBABLE

# **Royals Defeat White Sox** As West's Race Tightens

All the attention focused on the American League East race this week overshadowed a big weekend series looming in the West.

It got under way at Comiskey Park as Kevin Appier outpitched Jack McDowell and Kansas City closed to 2½ games of first-place Chicago by beating the White Sox, 4-2. Thursday night in the opener

within three games of the lead. In the AL East chase, first-place Toronto lost to Minnesota and

AL ROUNDUP

New York beat Boston to cut its deficit to one game, while Detroit again outslugged Baltimore,

# Owners Fail on Sharing **But Ease Strike Chances**

The Associated Press

mous amount of progress has been made," Ravitch said. "I hope in the KOHLER Wisconsin - After very near future I will be able to tell failing to agree to revenue sharing during 31 hours of talks over two days, major league baseball's owners bave taken steps that virtually eliminated the chance of a strike or lockout until late next season.

Richard Ravitch, management's labor negotialor, announced late Thursday that the owners won't lock out players at the start of the 1994 season or attempt to eliminate salary arbitration this winter.

"It would be irresponsible to set any artificial deadlines whatsoever No votes were taken at the own-ers' meeting. Instead, 10 clubs, priin terms of achieving our understanding with the union." Ravitch said. "I want to make it clear right now ... that in no way will the opening of the season be jeopardized by any action of the owners of major league basebail."

The extraordinary two-day meeting, held at a resort north of Milwaukee, was called to discuss greater sharing of local broadcast-ing revenue and ticket receipts among the large- and small-market clubs. Twenty-one votes were needed and a group of 10 clubs apparently blocked an agreement, but that was overshadowed by the unexpected no-lockout pledge.

Though I'm obviously disanpointed we didn't achieve closure on a plan today. I believe an enor- both sides.

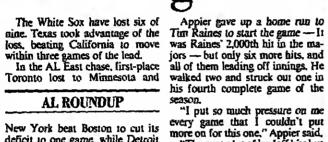
you there is a total agreement among the clubs as to how to redistribute revenues among themselves so we can meet our obligation to players under the new economic sys-tem we will be proposing to them."

A revenue-sharing system would be tied to an agreement with the union on a salary cap, an unlikely event unless owners are willing to accept a work stoppage.

marily from the large markets, met among themselves for most of the two days in another building, sending counterproposals back to the small-market teams.

Discussion was intense at times. The voice of New York Yankees owner George Steinbrenner could be heard through closed doors as he interrupted Ravitch during a meeting of large-marker clubs.

Meeting Thursday in the largemarket group were Baltimore, Bos-ton, the Chicago White Sov. Colorado, Florida, Los Angeles, the New York Mets, the New York Yankees, Texas and Toronto, California attended Wednesday's largemarket caucus but not Thursday's. Sl. Louis also appeared to be on



more on for this one." Appier said,
"They got a lot of leadoff hits but I was able to get out of most of the situations," he said. "None of my pitches was that good, but I had

pitches was that good, but I had good control of them."

McDowell, at 18-7 tied with San Francisco's John Burkett for the major league lead in victories, had his slx-game winning streak stopped. He gave up four runs, three of them earned, and 10 singles in cipht innings. He walked gles in eight innings. He walked two and struck out five.

Twins 9, Blue Jays 2: Kirby Puckett hit two bomers and scored three runs as Minnesota won in

Jack Morris lasted only 31/3 innings, giving up five runs on seven hits while walking two and striking out two. The right-hander, who helped Minnesota win the World Series title in 1991, now has a 7.24 Puckett's 13th home run of the

season gave the Twins a 2-0 lead in the third. In his next at-bat, he homered off the facing of the third deck in left during Minnesota's four-run fourth. Yankees 4, Red Sox I: Mebdo

Perez pitched two-hit ball for 74 innings to belp New York win the series in Boston, which remained two games behind Toronto. Oion James, Mike Gallego, Don

Martingly and Paul O'Neill hit RBI singles for the Yankees. Tigers 17, Orioles 11: Detroit.

playing at home, got a grand slam for the third straight game, this one from pinch-hitter Chad Kreuter that ended an eighth-inning ue. and Baltimore remained 21/2 games behind Toronto.

Dan Gladden, who had hit a grand slam in each of the two previ-



ous games, had to settle for a two-run homer this time.

Rangers 4. Angels 2: Rafael Palmeiro hit a two-run homer for Texas in the first inning and Dean Palmer connected in the second inning against visiting California.

> Palmer's 22d came off John Farrell, who had allowed 15 homers in 66 innings entering the game.

Right fielder Dan Peltier preserved the two-run lead in the sixth, throwing out Eduardo Perez at the plate after he tagged up on a fly

Indians & Brewers 6: Carlos Baerga hit a three-run homer with one out in the 11th to give Cleve-Palmeiro's 30th bome run and land its victory in Milwaukee. It was the Indians' first extra-inning. victory this season after six straight

#### an incident outside Dodger Stadi-um in which three people were injured by a powerful firecracker Coleman threw, The Associated Thursday night. "We're at defcon five right now, and five's an all-out alert," St. Lon-Press reported from New York. The Mets said Coleman, who had been on an unpaid leave, would be paid as of Friday, Base-

Cardinals Glad to See

is starter Bob Tewksbury said.
Burns, who lost in relief for the

second straight game, got pinch-hitter Tom Foley to fly out starting the 11th. But rookie Carlos Garcia, who was 4-for-6, tripled past right fielder Whiten.

ced were intentionally walked, Jeff key on a 2-1 pitch.

Phillies 7, Expos 4: Philadelphia, playing at home, completed a three-game sweep as rookie Kevin Stocker broke a 0-for-14 shunp with a tie-breaking two-out single in the sev-

bomers in New York and John Smoltz gave up only three hits in 74 innings as Atlanta swept the three-game series.

Rockies 4, Dodgers 1: Colorado completed its first four-game sweep, in Los Angeles, and extend-

lla homered leading off the second.

Astros 5, Padres 3: Luis Gonzathe Chiefs lost three fumbles.

#### The Last of Pittsburgh lez tripled and scored the tie-breaking run on Andujar Cedeno's sacrifice fly in the sixth as Houston won

Cobs 5, Markins 1: Dwight Smith

hit two solo homers to help visiting

four-game winning streak.

The Associated Press At least the St. Louis Cardinals can console themselves with this fact: they don't play again in Pitts-

burgh until next season.

Mark Whiten lost a ball in the lights. Todd Burns lost for the second straight night and the Cardinals, who are losing the National

NL ROUNDUP

League East race faster than the Philadelphia Phillies can win it, dropped another game in the standings with a 5-4, I l-inning loss

After Jay Bell and Orlando Mer-

King hit a liner over the head of drawn-in left fielder Bernard Gil-

enth. Montreal yielded two runs in his own toughest critic, Joe Mon-council on Aug. 22 or 23. the eighth when Mariano Duncan tana saw little to like in his debut. Krabbe, who won the for the Kansas City Chiefs of the 200 races at the 1991 World the eighth when Mariano Duncan Hollins hit his 13th homer. Braves 8, Mets 4: Ron Gant and David Justice each hit two-run

ed its winning streak to a clubrecord five games as right-hander Willie Blair pitched a seven-hitter

for his first complete game in 35 Vinny Castilla led off the second inning with his seventh homer, after Jerald Clark doubled in two first-inning runs, and Vinny Casti-

# For Montana as Bills Rout Chiefs

ball's investigation, which will be

conducted by its security office, is

expected to take about a week.

It's a So-So Debut

National Football League.

"Average or below," he said of his 6-for-11, 97-yard performance in the first quarter of a 30-7 loss Thursday night to the Buffalo Bills. The right elbow, which required surgery and kept him sidelined for most of the past two seasons in San

Francisco, "felt great," he said. The NFL's highest-rated passer of all time played only the first two possessions and was sacked once but not intercepted. The Chiefs' first exhibition sell-

out crowd since 1973 gave Montana a thunderous ovation when he trotted onto the field, but had little to cheer thereafter. The other Kansas City quarter-

suspension.

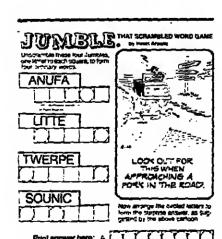
test Sunday at a meet in Schio officials said. Tests on the second use of steroids. (AP. AFP)

I WONDER

#### DENNIS THE MENACE



TI ISNT 40 DIRT SOME OF ITS FOOD



Many many light, may be tred case manage-III-MESTS

To our readers in Germany it's never been easie to subscribe and save - just call our Frankfurt office toll-free Q130-848585 From Austria call us tall-free 0560 8155 or fax: 06069 694894

#### PEANUTS

BLONDIE

BEETLE BAILEY

PLANNING

MENUS?



tell him we're trying TO CREATE THE ILLUSION THAT WE'RE ANXIOUS TO SECOME EDUCATED.

IRISH STEW

WEDNESDAY.

HUNGARIAN

GOULASH

THURSDAY





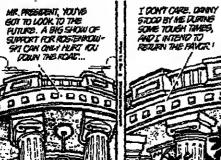








# DOONESBURY



INTERNATIONAL

WEEK. CHINESE

TIR-FRY TONIGHT

ITALIAN PASTA

TOMORROW



INDIAN

CURRY

FRIDAY





**CALVIN AND HOBBES** 







WHAT'S TODAY?



REX MORGAN

DOG, SHED EVERYWHERE

en Tire e na

WIZARD of ID

OVO 15 THIS WINE





# INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, AUGUST 14-15, 1993

# SPORTS BASKETE

# Jordan's Father Found in Creek, Shot to Death

Compiled by Our Staff From Disputches

The body was originally found
FAYETTEVILLE, North Caroon Ang. 3 in Beancitsville and has
lina—James Jordan, the father of been listed as a John Doe since that
National Basketball Association time," said Cumberland County superstar Michael Jordan, has been Sheriff Morris Bedsole. The cause shot to death and his body found of death was a single gunshot floating in a South Carolina creek, wound to the chest, and with that I

anthorities said Friday.

James Jordan, 57, died of a guishot wound to the chest, Cumberland County officials said. The body was found near McColl, South Carolina, about 100 miles

James Jordan hadn't been seen for three weeks but the family had not reported him missing. His \$45,000 red Lexus 400 was found stripped of its tires, stereo speakers and personalized license plates on Aug. 5 in a rural wooded area near

Dental records helped to conThe body was decomposing. Garfum the identity of the body Friday. Authorities said they had no
by with him being dead from the suspects and had determined no

don't think that we have a lot more

that we can tell you."

The FBI had been called in to help with the investigation because

southwest of Fayetteville.

Michael Jordan was said to be a creek under a bridge about 50 vacationing in Carniel, California, yards from the North Carolina and had made no public statement.

James Jordan hadn't beautiful. ence (South Carolina) Morning News reported.

Dr. Keene Garvin, a forensic pa-thologist at South Carolina's New-County Memorial Hospital, said he helped perform the autopsy

"He'd been dead quite a while.

The tragedy came amid a year of unprecedented success for Michael Jordan, perhaps the nation's most prominent athlete, who led the Chi-cago Bulls to a third straight NBA But it also was a year in which

the 30 year-old Jordan was dogged by reports of excessive gambling, which also involved his father. When it was learned that Michael Jordan had made a late-night trap to a casino the night before a playoff loss to the New York Knicks in May, it was his father who stepped forward and tried to

take the blame.

"The trip was my idea," James Jordan said. "I took him with me. He just paid the bill. It wasn't anyng planned shead of time. It didn't seem like going to Atlantic curity staff flew to Fayetteville from Chicago earlier this week to might want to relax."

The book, "Michael & Me: Our Gambling Addiction, My Cry For Help," written this year by a San. former co-worker Willie Kemp in

no signs of a struggle in the car and Diego entertainment executive. Wilmington, he visited Kemp's apparently has not seen reason for said. We don't think it happened Richard Esquinas, claimed that widow, Azella, in nearby Atkinson. concern. They hadn't felt the need Michael Jordan gambled extensive- She said he then drove friends back ly and ran up a \$1.25 million debt to Wilmington. in 10 days in 1991.

Jordan's gambling had prompted an NBA investigation. He once paid off \$165,000 in golf and poker debts, including a \$57,000 check to a convicted cocaine dealer. The NBA found no reason to discipline

Other checks from Jordan's account totaling \$108,000 were found in the possession of a North Caroli-na bail bondsman, Eddie Dow. who was killed in a case unrelated Family and friends said it wasn't

insual for the elder Jordan to stay out of touch for long periods of time, but a three-week disappearance was unprecedented. Members of Michael Jordan's se-

James Jordan was last seen July 22. After attending the funeral of

Carolyn Robinson of Wilmington, who tode with him, said Jordan told her he had to return to and have several bornes. Some fam-Charlotte to catch a plane to Chicago the next day.

shone while we were driving back." Robinson said. She heard him say that after his Chicago trip, he planned to be in South Carolina. Jordan stopped at Robinson's home home, are a late dinner, and visited lina. before changing clothes for the

drive home, she said. "I asked him to call me when he got there, and he said be would. He never did but I didn't think anything of it. He was so husy," Robin-

Because Jordan travels on business, it wasn't until the car was found that the Jordan family became concerned.

have related to me that the family

to report Mr. Jordan missing," Union County Sheriff Frank McGuirt said. "The Jordans have business interests in many places,

ily member did say he might be using a rental car." "He talked to his office on the Michael Jordan, who attended the University of North Carolina, grew up in Wilmington and visited Charlotte often to see his family and friends. He has a vacation home in Hilton Head, South Caro-

> James Jordan moved from Wilmington, where his son attended high school, shortly after be pleaded guilty in 1985 to accepting a \$7,000 kickback from a private contractor while he was in charge of inventory control at a General

Jordan received a three-year sentence suspended for five years. He ame concerned. was also placed on supervised pro-The officers who were there bation for five years and fined



Michael Jordan with his father, James, after the game in June in which Chicago Bulls won their third straight NBA championship.

# Tapie Forces Attack Police Questioning

Compiled by Our Staff From Dispatches know I could be held another 24 BETHUNE, France — The for-hours," he said. "I finally had BETHUNE, France — The former cabinet minister who provided
Bernard Tapie with an alibi that
countered allegations that Olympique Marseille's owner had tried to wanted your boss's hide for a long cover up charges that his soccer team was involved in fixing a match, denounced Friday what he said was police pressure stemming from a photograph casting doubt

on his story.

An aide to Jacques Mellick, the Judicial sources said Judge former Socialist minister who now mand Belfy had put in an official request following Mellick's refusal requests. town, has said under police guilling that his boss arrived at a reception an hour earlier than Mellick claims.

The timing is crucial to determine whether Mellick was with Tapie in Paris at an hour on June 17 that the former-Valenciennes. coach, Boro Primorac claims Taple was offering him inducements: to take the blame for the affair.

Aurelian Lefebvre, Bethune's di-rector of technical services, told po-

The police have questioned memerous people about an internal some Primarse in a lie newsletter photograph, which shows Mellick at a reception for new employees June 17. The capbion says he was there at 2 P.M.

wrong. He claims that he started Friday morning have confirmed his neeting with Tapic at the politic. Mellick's version of events, claim-financier's offices about that The Bethune town hall, which time, leaving at 3:30 P.M. for Bethune, 210 kilometers (130 miles) away. He says he arrived at the reception at about 5 P.M.

Lefebyre, after being freed, accused the police of exerting psychological pressure on him.

The police asked the same questions over and over, and let me

told the town employees, "We've wanted your boss's hide for a long time. We're going to set him up. He's through

In Valenciennes, the judge investigating the allegations of match-rigging said Friday he wants to talk

to respond to verbal requests.

Sources close to the investigation said that police had seized several negatives of photographs shot during the reception.

They hope to enlarge one showing Mellick shaking the hand of a men wearing a wistwatch, which could establish the time he was

Though the case has been in the headlines since late June, Mellick lice after 22 hours in custody that did not come forward with his Mellick arrived at 4 P.M. June 17; statements until two weeks ago, an hour earlier than Mellick says. saying it wasn't his business. Tapie . claimed that he kept his silence to

Several town ha Mellick says the caption is two were still held by police on

> saw a strike Thursday in support of employees held by police, remained closed Friday morning. In windows, banners have been put up supporting Mellick.

Mellick was minister of the sea in the Socialist government. Tapic, an allied leftist, was urban affairs min-



(AP, AFP, Reuters) Nick Faldo, lining up a putt, could have finished at nine under but he took a triple bogey on the 15th.

Regions City 811 916 919—4 19 8 Chicatos 186 986 685—2 7 1 Appler and MacCortonia AcCorrell, Curry 171 and Kartovica, W.—Assier, 13-6. — NaCovrell, 18-7. H.R.—Chicaso, Raines (13).

# Singh Ties PGA Record To Lead Wadkins by 2

TOLEDO, Ohio - Vijay Singh of Fiji shot a tournament recordtying eight-under-par 63 on Friday to take the second-round lead in

the PGA Championship. The 30-year-old Singh, playing in only his second PGA Championship, had eight birdies and 10 pars in taking a two-stroke lead over Lanny Wadkins, who shot a threeunder 68 on Friday.

Singh, who plays on both the U.S. and European tours, won the Westchester Classic earlier this year in a playoff for his first victory in the United States.

His 63, which gave him a 36-hole total of 131, equaled the PGA Championship record shared by three others. His 131 also matched the championship record for the first 36 holes.

Scott Simpson, the first-round ader, and Tom Watson, the U.S. Ryder Cup captain, were three shots behind Singh at eight-under-par 134 for the two rounds.

Watson shot a crowd-pleasing six-under 65 on Friday, but Simpson managed only a 70 after an

opening 64.
Wadkins could have been even better but he had two birdie putts nine, ooe on the 18th bole.

"My putting saved me," Wadputt I thought I was going to make it." kins said. "Every time I got over a

Nick Faido, who played with Wadkins, was right in the thick of things but he tonk a triple bogey on the 15th hole when he and Wadkins were sharing the lead.

"It's almost shocking to see him make a mistake," Wadkins said of Faldo's uncharacteristic lapse.

SIDELINES

"At least I'm only three strokes on the team for the eighth time in back. I'll take that and go work on his 23-year career.
it," Faldo said after shooting 68 for Inverness was made vulnerable hy greens that were softened by

a 136 total. That was before Singh came in at humid conditions. As a result, 57 The 7.024-yard, par-71 Inverness previous championship first-round Club course coordinued to yield low record of 49, in 1989.

scores on another hot, humid day. Among those trailing Simpsoo Play was delayed for 90 minutes by and Wadkins were Dudley Hart early morning fog.

Watson, who had eight birdies Mickelson and Dan Forsman were and two bogeys, almost finished at among a group of eight at 67, Nick nine under for the two rounds when Faldo and Greg Norman among his approach on the 357-yard final nine at 68 and Watson and Paul

hole missed the cup by inches. Nick Price, the defending champion and winner of his last three well as the players are a little disap-American starts, rebounded from pointed," said Norman. "The an opening 74 that put him in dangreens are slow. It's just going to an opening 74 that put him in dan-ger of missing the cut for the final

two rounds Price shot 66 and had a 140 total, rate himself, making birdie putts 2-onder par, for 36 holes. But Jack ranging from 3 to 30 feet. He Nicklans was unlikely to qualify for missed only three greens in regula-weekend play. He shot 73 and was tioo in his lowest career round in a (AP, Reuters) PGA.

■ Earlier, Jaime Dia: of The New York Times reported:

On a leader board full of low numbers and at least one emphatic where everything went right for message, the quiet Simpson shot a loud seven-under-par 64 to take the

On the strength of seven birdies and 11 pars, the Simpson tied the course record over the par-71 Inverness Club to take a one-stroke lead over the chief message-sender,

In a last-gasp effort to make the U.S. Ryder Cup team. Wadkins boled out a 9-iron approach shot on the 11th hole in his 65. The shot provided an exclamation point in a statement to the Ryder Cup cap-tain. Watson, to include Wadkins

pitched to 8 feet and made the putt to regain momentum. "That one was key because it stopped the bleeding," he said. "It belped me stay patient and controlled, which is not always my Strong Suit."

players broke par, breaking the

and Richard Zokol at 66. Phil

"I think the PGA of America as

Simpson. "I think it's still going to

be pretty hard course over four

Wadkins also hit 15 greens in his

equally solid round. He opened

with birdies on the first two holes

but bogeyed the third and fourth. On the 409-yard fifth hole, he put

his second shot over the green but

days, It was one of those days

Azinger among 13 at 69.

bunch everybody up.

Wadkins closed out the front nine with birdies on the eighth and ninth holes. Then, after pushing his drive into light rough on the 378-yard, par-4 11th, he hit a 9-iron from 139 yards into the cup for an

eagle 2. of just wanted to make sure I didn't get all excited," said Wadkins. "I think it belped that I holed 3-iron on the 18th hole last week at the Buick. It's getting to be old

Wadkins stayed calm, adding a wadkins be used to determine the 1994 World Cup seedings.

The rankings: 1, Germany: 2, Italy: 3, Switzerland: 4, Sweden; 5, hole and an Argentina; 6, Ireland; 7, Russia: 8, Brazil; 9, Norway: 10, Denmark; 11, England; 12, France; 13, Spaio; 14, Mexico; 15, Czechoslovakia; 16, Netherlands; 17, Nigeria; 18, Belgium; 19, Colombia; 20, Poland.

Wadkins birdie on the hole and an par-4 17th.

Initial Letter Colombia: 17, Nigeria; 18, Belgium; 19, Colombia; 20, Poland. birdie on the 515-yard, par-5 13th hole and another on the 435-yard,

■ Irish Lead Austrian Open Two Irishmen, Ryder Cup hope ful Ronan Rafferty and Eoghan O'Connell, shared the lead Friday after two rounds of the Austrian Open, United Press International reported.

O'Connell collected six birdies but bogeyed the last hole for a 5under-par 67, while Rafferty shot 69. They were at 134, with a 1-shot lead over Germany's Sven Struver, who broke the course record by one shot with a 63; Charles Raulerson of the United States, with 67, and

# SCOREBOARD

Gended scares 1 town one over read to the 7,00-1 town on the 7,00-1 yard (4,423-moter), per 25-4-71 town ress. Cab course is Talente, Chib: Scart Simoson, United States Course Westkins, United States Dudley Hart, United States Richard Zoleth, Conoda 34-32-45 35-34-7 35-

Richard Zakol, Canada
Mark AKCLumber, Unibed State
Barry Lase, Britein
Don Forsman, Unibed States
Educado Romere, Arpentina
Steve Eticlestone, Australia
Ablee Helibert, Unibed States
Pull Ablachana, Unibed States
Pull Ablachana, Unibed States
Loren Reberts, Unibed States
Loren Reberts, Unibed States
Loren Reberts, Unibed States
Lohn Huston, Unibed States
John Huston, Unibed States
Sithy Maryloit, Unibed States
Billy Maryloit, Unibed States
Brites States
Bruce Pleither: Unibed States
Bruce Pleither: Unibed States
Bruce Pleither: Unibed States
Bruce Pleither: Unibed States
Front Hobbie, New Zeakond
Sandy Lyle, Unibed States
Hel Station, Unibed States

Bob Tway, United States Law Janzen, United States Ban Cranshine, United States

Lee Janzen, Unified Stoles
Sen Crassision, United Stoles
Gree Twites, United Stoles
Crois Perry; Asstrait
Brad Papen, United Stoles
Rader Dovis, Asstrait
Beb Ford, United Stoles
Rick Fettr, United Stoles
Dovis Lave III, United Stoles
Dovis Lave III, United Stoles
Tany Jahantone, Zimbashus
Tany Jahantone, Zimbashus
Racca Martiget, United Stoles
Racca Martiget, United Stoles Dovin Lave III. United Stores
Tony Johnstone. Zimbodwe
Rocce Medicale. United Stores
Rocce Medicale. United Stores
Ing Moonards. British
Ing Moonards. Stores
Grant Wolfe, New Zeolord
Kan Krieger. United Stores
Anders. Forsbrood, Sweden
Roymond. Floyd. United Stores
Payne Stowert. United Stores
John Doly, United Stores
John Doly, United Stores Payne Stewart United States
John Doly, United States
John Doly, United States
Jim McGovert, United States
Author Mayee, United States
Brian Claur, United States
Brian Claur, United States
Sommy Ruchets, United States
Jon Micron, United States
Jock Micros, United States
Jock Micros, United States
Howard Twitty, United States
Cartil, Stronge, United States
Fred Fort, United States
Fred Fort, United States
John Adams, United States
Ropart Hoyl, United States

Jeff Mossert, United Stotes
Notion Henke, United Stotes
John Cook, United Stotes
Alike Standhy, United Stotes
Olck Most, United Stotes
Dave Russmalle, United Stotes
Dave Russmalle, United Stotes
Tore ICHs, United Stotes
Crale Stadier, United Stotes
Crale Stadier, United Stotes
Crale Stadier, United Stotes
Crale Stadier, United Stotes
Lose Moria Okonobol, Spain
John Mahatley, United Stotes
David Stotes
David Stotes
David Stotes
David Stotes
David Stotes
David Edwards, United Stotes
Chile Beck, United Stotes
Chile Beck, United Stotes
Chile Beck, United Stotes
Carry Paris, United Stotes
Carry Relation, United Stotes
Carry Paris, United Stotes
Carry Paris, United Stotes
Carry Paris, United Stotes
Carry Paris, United Stotes
Carry Role, United Stotes
Carry Role, United Stotes
Carry Notables, United Stotes
Stotes Carry Indiana
Indiana, United Stotes
Stotes
Stotes Indiana, Josen
Joy Debising, United Stotes
Stotes Indiana
Carly Role, United Stotes
Stotes
Stotes Indiana
Mark Machally, United Stotes
Stotes
Stotes Indiana, United Stotes
Mark Machally, United Stotes
Mark Machally, United Stotes
Mark Machally, United Stotes
Mark Marke, United Stotes
Mark Marke, United Stotes
Mark Bracks, United Stotes
Story Trivisones, United Stotes
Story Stotes
Story Carlons, Marked Stotes
Story Stotes
Story Carlons, Marked Stotes
Story Stotes
Story Machally Stotes
Story Stotes
David Graines, Australia
Gene George, United Stotes
Story Stotes
David Graines, Marked
David Stotes
David Stotes
David Stotes
Story Machally Stotes
David Stotes
Story Machally Stotes
Story Machally Stotes
Story Story Machally
David Graines, Marked
David Stotes
Story Machally Stotes
David Graines, Machally
David Stotes
Story Story Machally
David Gr

Garv Robison. United States
David Frost, South Africa
Arnold Poismer. United States
Braft Oate. Australia
Brusce Lietzka. United States
Dutty Woldert. United States
Auart. O'Mears: United States
Keith Clearwoler, United States
Cieve Coldwolter, United States
Gary Grah. United States
John Helson. United States
Johnson United States
Johnson Gathern, United States John Helson, United States Johnny Godwin, United States Tom Joyce, United States Jon Moccker, United States Jeff Folintield, United States Tim Anata, United States

FOOTBALL Canadian League

NFL Presenson BASEBALL Major League Standings AMERICAN LEAGUE Thursday's Line Scores

Attendence 911 480 279—9 TO T Terodo: 911 548 279—9 TO T Topod, Aguillaro (7) and Webster: Morris, Letter (4), Timilo (7), Elchronn (7), Williams (7) and Knorr, W—Toponi, 7-11, L—Morris & 11; HR—adinosofa Puckett 2 (14), Battimore 973 884 973—11 29 A (9) and Knorr. W—Topont, 7-11. L—Merris & Yokulf

11. HR9—Athnesofra Puckett (2 (14).

Beltimore 813 881 921—11 29 4

Debrit 788 94 83—17 16 9

Venerousids, Mills (1), Prohydrin (4), Poole
18); Williamson (7) and Tuckett, Purent (7);
Bergenba, Dovis, (3), MacCored (6), Gatr
(7), Henneron (7), Rowland, Kriyter (7), Vekets, (3), Chipter (7), Henneron (7), Rowland, Kriyter (1), Vekets, (3), Vekets, (4), Veke

The Chicago, Raines (13).

New York 91 91 181—4 9 1

Sealor 98 08 916—1 2 2

Perez, Assetmocher (9), Forr (9) and Stunier; Seis, Hesketh (7), Sanishead (7), Fosses (7), Harris (9) and Astrin, Pero (9), W.—Perez, e-to, L.—Seis, e-to, Y.—Farr (22), Carifornia 98 197 385—2 6 5

Texas 218 18 85—4 7 6

Farrell, K. Patterson (7), Linton (6) and Timpley, Myers (7); Rosers, Competter (7), Henke (9) and Radinaux, W.—Rosers, 10-7, L.—Farrell, 3-18. Sv.—Henke (26), HRS—Texas, Patriolic (30), Polmer (22), BATONAL LEAGUE Montreal 172 100 800—4 8 1 Pathodolphile 600 700 120—7 12 3 Rueler, Show (3), Bornes (5), Scotl (7) and Pathodolphile (5), Anderson (6), West (4), -70. Williams (9), West (4), -70. Williams (9), Moson (6), Anderson (6), West (4), -70. Jones (23).
Attentio 280 280 280—8 16 1
New York 570 380 200—4 4 2
Senoitz, Stanton (4), Michichael (7) and Berryhill', Gooden, Telefrieder (4), Innis (7) and
Hondiay, W.—Smittz, 11-7, L.—Gooden, 11-72,
HRs.—Attento, Gonf (20), Justice (28), New
York, Thomson (3), Booliis (24),
Citionse 102 381 381—5 7 8
Florids 881 887 889—7 7 8
Harfary and Wilstein, Armstrons, Austine Horiday and Wilsons, Armstrong, Assirte (3) and Notel, Sontione (3), W-I-Arristy A. L.—Armstrong, 7-12. HR—Chicago, Smith 2 (16), Wilkins (22).

St. Lee's Wil 277 886 25-4 9 1
Pittsburgh 817 911 006 91-5 14 8
(11 identits)

Tewisbury, Olivores (7), Marphy (7), Burns (16) and Poprozzi (Cocke, Pathyrsek (7), Neoste (8), Johnston (10) and Staughl W-Johnston1-2 L.—Burns 6-4. HR2—3t, Louis, Jordon (7), Poprozzi (7), Pittsburgh, Clark (4).

### Bowe-Holyfield Rematch Is Set For November

The Associated Press LAS VEGAS - Riddick Bowe, who won the undisputed heavy-weight championship by beating Evander Holyfield last November. will defend his titles against Holyfield in a Nov. 6 rematch at Caesars Palsee, hotel officials have announced. The fight will come nearly a year

to the day after Bowe won a 12round decision over Holyfield to hand the former champion his first loss and capture all three portions of the heavyweight title. Bowe has since been stripped by the WBC portion of the title, so the

fight will be for the IBF and WBA VETSIOUS. No purses were announced, but Holyfield made about \$17 million for defending his title in the first fight, and Bowe was paid about \$7

**ESCORTS & GUIDES** 

Belle Epoch

THE ESCORT SERVICE

LONDON \* PARIS

071 937 8052

BELGRAVIA

ORCHIDS

IONDON ECORT AGENCY CREDIT CARDS ACCEPTED

071 589 5237

MERCEDES

LONDON ESCORT AGENCY MAJOR CHEMI CARDS ACCEPTED 781: [871] 351 6666

#### HAMBURG (AP) — The man who stabbed Monica Seles here in April has been charged with causing grievous bodily harm, but will oot be prosecuted for the more serious charge of attempted manslaughter. The prosecutors' office in Hamburg said Gunter P., a 38-year-old man from Thuringia state in eastern Germany, was charged on Thursday. The suspect's full name has not been released. • Gabriela Sabatini capitalized on a rash of errors by Tracy Austin for a 6-1, 6-3 victory in the third round of the Virginia Shims of Los Angeles.

For the Record

GianLuigi Lentini, the AC Milan forward who was Italy's most expensive soccer transfer, was released from the hospital after recovering from New Zealander Greg Turner, with a concussion suffered in a car crash Ang. 2. (AP) 67.

Germany Officially No. 1 in Soccer

ZURICH (Reuters) — Germany's soccer team was officially declared the world's best Friday when FIFA unveiled its first international rankings.

The rankings, compiled from a complex points system based on matches over the last six years, are intended to produce a definitive league

table of the world's national sides. FIFA said the new rankings would not

Seles's Assailant Charged in Hamburg

INTERNATIONAL CLASSIFIED (Continued From Page 4) **ESCORTS & GUIDES ESCORTS & GUIDES ESCORTS & GUIDES** ULTIMATE '10' LONDON BRAZILIAN Escort Service (17) 724 5577/91 Open 7 days ARISTOCATS
Landon Escort Service
Shouldhorn Street, London WI
Tel: 0071-228 0090 (3 18485) 212-888-1666 NEW YORK ESCORT SERVICE \*\* ZURGCH NEW \*\* VIOLET \*\* Excert Service, Credit conds occupied Tel: 077 / 63 83 32 Caroline Escort Service worldwide 01/252 61 74 FOR YOUR INTERNATIONAL ESCORTS Szon / Guide Service, Telephone No. (93) 3951 · 2278 · ZIRICH - BERNE \*\*
Natobe Szon Service
Tel: 01 / 461 76 72
TAU MANNA: Escon Service, Credit cords (2cm-12pm, LONDON (07) 286 4105 Service Available Worthadb Tel: 212-765-7896 New York, USA Major Credit Cards & Checks Accepted LOS ANGELES - GABBY INT'L Scor & Guide Service. By coppointment only Beverly Hills Tel: (310) 281-8225 USA. VIENNA" BERLIN" ZURICH" KEN NEDY's in 1 Escarl Service. Call our hand office in Venna +43 1 532132 Correspon Escort Service, 7 days. 081 341 0356

# TO OUR READERS IN GERMANY

It's never been easier to subscribe and save. Just call our Frankfurt office toll free: 0130 84 85 85 or fax: (069) 69 48 94

TER STIGN / 26/43075.

FRANKFURT & AREA
Mara's New Intl Secont Agency.
Please Call 059 - 597 66 66. Doly.

AMSTEROAM BERNADETTE
FROM SECONDARY AMSTERDAM BERNADETE
EGOT SERVIZ.
Tel: 631 63 36 or 631 06 43.
"GENEVA PARES AMANDA"
EGOT SERVIZ.
TOTAL TOTAL
TOTAL
TALLY PARES COTE D'AZUR
French Riviero Escort Agency
Did Brit 1 + 39 184 368 87 MUNICH WELCOME
ESCOTT & GUDE AGENCY.
MEASE CALL DBS - 97 23 14.
""GENEVA SCANDINAVIA"
"SCOTT SERVICE CARCLE "
Tel 07 / 25 27 17. DELIDAG-AGENCY-GERMANY Multilinguoi Escors & Guides, 10cm 10cm. Germany Tel: 02368-56612 BERLIN - "FRIST CLASS"
EXCORT & GUIDE SERVICE Daily.
Tel. (20), 579(8275)
GENEVA TODAY
Scott Service
Tel. (202 / 725 12 67

**ESCORTS & GUIDES** 

"VIENNA "PARIS" COTE D'AZUR" Eurocontor: Infl. Escort + Travel-Servce. Cal Vienno + 43-1-330 27 97.

"FRANKES Escort Service, 7 days. Tel: 0160 / 26/3075.

PRIME TIME ESCORT SERVICE in Manhattan Days/Evenings 212-279-8522 USA TIV-27-8522 USA.
THE EXECUTIVE CLUB ESCORT
Service, Son Francisco Boy Area,
Open 7 days, Tel: USA 415/2859303,
ELEGANCE LONDON
Start Service, Dolly 10am 10pm
Tel: U71 437 3384

#### DAVE BARRY

# Snakes in Toilets, III

M IAMI — As you are aware if you follow international events, over the past year I have written a number (two) of columns about the worldwide epidemic of snakes in toilets. As a result I have received many tetters from people who have had personal toilet-snake encounters, to the point where i oow consider it newsworthy when somebody reports NOT finding a snake in a toilet.

But now I am getting nervous. I say this because of a recent alarming incident wherein a woman, attempting to use her commode, was attacked io an intimate place, specifically, Gwinnett, Georgia, by a squirrel. I have here an article from the Atlanta Journal-Constitution written by Gail Hagans and sent in hy a number of alert readers. The headline — a textbook example of clear journalism — states: "Squirrel somehow makes way into commode, scratches Gwinnett woman's behind," I am oot making this headline up.

The woman is quoted as follows: "I went to the bathroom and lifted the lid and sat down. That's when I fest something scratching my be-

So, following the recommended "Jump, Slam, Call and Tell" emergeocy procedure, she jumped up, d the lid down, called her hushand at work and told him to come home immediately. Unfortunately, hy the time he got home, the squirrel had drowned. forcing us to once again ask when the failed Clintoo administration will demand that all commodes be

But that is not the issue at hand. The issue at hand is that the squirrel apparently got into the plumhing system via a roof vent. which means that if you, like so many people, have a roof, your toilet is vulnerable to ANY organism with a foog narrow body, including (hut not limited to) oriers. weasels, dachshunds, squids and international fashion models with only one name, such as "Iman."

But that is by no means the only major toilet development. There is also the Mystery Toilet in Texas that produces ballpoint pens. I am not making this up, either. According to a story in the Wichita Falls (Texast Times/Record News, written by Steve Clements and sent in

Europe

named David Garza of Henrietta. Texas, has fished 75 Papermate ballpoint pens out of his toilet over the past two years. Garza has oo idea where they're coming from, and neither do the local sewer au-

مكذا من الأصل

thorities. f asked him if the pens snill write. and he said they do.

"Papermate ought to make a commercial out of this," he said.
"The slogan could be, 'We come from all over and write anywhere. You know, like Coca-Cola, It's

there when you oeed it."

Actually, I don't think that's Coca-Cola's slogan. But Garza's statement got me to thinking about a possible breakthrough TV com-mercial wherein an athlete is standing in the locker room, sweating, thirsty as heck, and the soilet gur-gles, and up pops a nice refreshing can of Coke, Yum! A commercial like that might be exactly what Coca-Cola needs to counteract all the free media attention Peosi got

recently with the syringe thing.
But the question is: Why are Papermate pens showing up to this toilet? There's only one logical explanation - alien beings. Garza's toilet is apparerally connected to some kind of intergalactic sewage warp, through which aliens are try-ing to establish communication hy sending Papermate pens (which are for sale everywhere).

Speaking of toilets and communication, you oeed to know about a TV-review column from the Daily Yomiuru, an Eoglish-language newspaper published in Japan. The nn, sent in by reader Chris Graillat, states that there's a children's TV show in Japan called "Ugo Ugo Ruga," which features - I am still not making this up --"an animated character with heavy eyebrows called Dr. Puri Puri (Dr. Stinky), a piece of talking excrement that keeps popping up from platitudes only an adult can fath-

No. seriously, you're thinking that there are indeed some scary worldwide developments occurring in toilets, and the international au-thorities had better do something about it. And then they'd better wash their hands.

Knight-Ridder Newspapers

# Diane and Woody: A Homecoming of Sorts

By Maureen Dowd New York Times Service

OS ANGELES — It is strange to see Woody Allen and Diane Keaton together again, still flip and Freudian 16 years after "Annie Hall." There is one especially a strange to see Woody Allen

cially startling moment in their new screen collaboration, "Manhattan Murder Mystery," which opens in the United States Wednesday, when Allen carps that Keaton has turned into a nutty, superannuated Nancy Drew fixated on "The Case of the Lethal Neighbor."

Besides saying there is nothing wrong with her that "a little Prozac and a polo mailet wouldn't cure." Allen advises his sleuthing spouse to mind her own business: "Save a little craziness for menopause."

It's a sobering thought: Annie Hall on the cusp of menopause. Asked about the line. Diane Keaton smiles that infinitely fetching smile and elucidates: "But, you know, I mean, I say, hey, look, yeah, O.K."

Translating from Keaton-ese, the 47-year-old actress adds: "I think humor is a beautiful way of dealing with a lot of these real big problems."

Just as her character in the movie struggles with middle-age blahs, so Diane Keaton fights not to be dragged down by cultural mythology about happily-ever-after, the glo-ries of plastic surgery and shrinking opportunities for women over 45 to Hollywood and in romance.

Once Woody Allen loved her and made her a star. Then she went off on her own to Hollywood and had long. heart-wrenching love affairs with two other famous co-stars, Warren Beatty and Al Pacino, and made some good movies and some duds. Now, all these years after she won the Oscar for "Annie Hall." Keaton has returned to prop up her scalded Manhattan Pygmalion.

Their reunion, given all that's happened to them since their heady run of comedies in the 70s, offers a poignant echo of Allen's favorite theme: That you can make art come out the way you want, but not life.

Keatoo talks about how she had been home the night before nursing a sick dog when a rat ran across the floor of her Hollywood Hills mansion, a landmark designed by Frank Lloyd Wright's son and once owned by the silent film star Ramon Novarro. "Now my friends tell me the Hollywood Hills are full of rats," she says.

But unlike her character in "Annie Hall" who calls Allen to come over to kill what he calls "a spider the size of a Buick," Keaton now does not seem helpless. She is on her own, and she has grown up. Her lavour self-disparaging plurase is "it's over," referring to her figure or her sexual allure on screen. But in some ways, she is more confident.

She no longer, as her frieods liked to joke, gets up in the morning and apologizes for it. Despite the impression of clutter conveyed by her clothes and prose, she has a minimalist approach to decor and an organized approach to her directing career, which began in 1987 with the offbeat "Heaven" and has included music videos and episodes of "Twin Peaks" and "China Beach."

But, as Keaton says. "The core doesn't really change."

The familiar image is still there oo screen and in person. The Keaton style still charms - the indirect/straightforward, girl/woman, strong/fragile aura, the attempt to have values in a profession where values are so skewed. "She's a really good egg," says Anjelica Huston, who also stars in "Manhattan Murder Mystery" as a sexy author in black leather who helps the Keaton-Allen husband-and-

wife team solve the mystery. Although Huston and Keaton

Asla



Diane has been reunited with Allen in "Manhattan Murder Mystery": "The core doesn't really change."

both had long liaisons with men who were best friends -Huston with Jack Nicholson and Keaton with Beatty -

Huston jokes that their timing was "slightly staggered" so that they have only just begun having dinner together.

In a town where loyalty is scarce, Keaton did not hesitate to stand by Allen during the legal bloodletting over child custody with his former leading lady and

girlfriend, Mia Farrow.

When he called Keaton last fall to ask her to step into the role be wrote for Farrow — after "that hig falling out with Mia," as he puts it — Keatoo immediately flew to New York. She is careful not to say anything negative about Farrow and goes out of her way to praise the talent and beauty of the woman whose role she inherited. "I liked Mia; I like Mia, "she says. "But my history has always been finked with Woody. He's my friend."

She makes only one comment about the case, taking issue with the searing New York State Supreme Court ruling in June that severely restricted Allen's access to his son, Satchel, and his adopted daughter, Dylan.

"I think it was too harsh," she says. "I think he could have had better visitation rights. You can't eliminate the parent from a child's life, no matter what happened."
[Allen flew to Dublin on Friday in a bid to see his children who are in Ireland with Farrow, where she is mixing a film. Reuters reported from Dublin that HIs

chances seemed slim. "I want to see them if I can. Of course I want to see them," Alien said.]

Friends say that Keaton believes that while Allen was self-centered, he was truthful -- even in being unwilling to camouflage his lack of concern about the consequences of his romance with Farrow's adopted daughter, Soon-Yi

Keaton says that Allen is even more "brilliant" than she realized when they first worked together. And the ordi-narily reticent Allen can get downright dewy on the subject of Kenton, comparing her to Judy Holliday and Lucille Ball. While he has described Keaton as "a blank" when he first met her — "a coatcheck girl" — he praises her intellect and cultural sophistication.

"She was totally supportive and fabulous," he says.
Allen says that, while he put off making "Manhattan Murder Mystery" for years because he thought it might be too insubstantial, "like an airplane book read," it was a relief not to deal with a movie about relationships while his own were being dissected in court. In the spirit of such whodunits as "The Thin Man" and "Rear Window," the movie tracks Keaton's obsession with proving that a seemingly nice neighbor in an apartment building on the Upper East Side of New York has murdered his wife.
"It was such a hard year personally, it was a pleasure to
make something I could enjoy," he says.

THIS WEEKEND AT THE BEACH

#### Wary South Koreans Bar Michael Jackson

Michael Jackson's "Dangerous" tour is too hot for the South Koreans. The Ministry of Culture turned down a bid by the singer to bring his "one-of-a-kind extravaganza" there, saying it could have a negative effect on South Korea's current anti-corruption drive. Conspicuous consumption and symbols of opulence, such as superstars, are out. Jackson's "Dangerous" tour certainly fits that bill. The singer is traveling with 150,000 tons of stages, lights sound gear, big screens, lasers and & effects machinery.

Not only is she "Forever Your Girl." Pania Abdul told Los Angeles jurors they had made her the "happiest girl in the world" by rejecting a claim by Yvette Marine, a backup singer, that she deserved more credit on Abdul's album Marine had speed Virgin Records for \$3 rine had sucd Virgin Records for \$3 million in 1991, claiming her voice was electronically combined with Abdul's on several songs.

Newly crowned King Albert II of Belgium doesn't go in much for protocol. The king took the wheel of his car after arriving in Nice by plane for a vacation with his wife, Paole, at their nearby villa.

. The actor James Casa angrily dismissed a report in the New York Post that he was a regular at Heidi Fleiss's Hollywood mansion. Fleiss, who is accused of operating a Hollywood call-girl ring, has pleaded not guilty to felony pan-dering and narcotics charges. "I never, ever once partied at Heidi's house," Casn says.

Citing irreconcilable differences, the director Oliver Stone has filed for divorce from his wife, Elizabeth, after 12 years of marriage. Stone did not seek custody of sons Sean 8, and Michael, 1. . . After months of rumors and denials, the ABC anchor Peter Jennings and his wife, Kati Marton, have confirmed that they are ending their 15-year marriage.

INTERNATIONAL CLASSIFIED Appears on Pages 4 & 7

### WEATHER

# Forecast for Sunday through Tuesday, as provided by Accu-Weather. Today Low W High CRI CRI 1762 9 29/64 18/64 pd 21/70 16/61 pd 22/64 22/71 0 22/68 22/71 0 22/68 121/70 2 26/64 11/62 9 25/77 12/68 pd 24/75

Europe and Middle Best

# If you're going to travel all over the map, here's how to call from almost any point on it.



ANDURRA 190	-0811	LEBANON?	ERUT 426-80
"ARMENIA" 80	14111	LIBERIA	797-79
AUSTRIA 822-98	3-011		EN 155-80-1
BAHRAIN 80	0-001	LITHUANIA	
BELGRAM 078-11	-0010	LUXEMBOUR	
BLACGARIA : 00-1800	-0010	WALAHT -	101-199
CAPE VERDE ISLANDS	112	MALIA	9800-690-110
CROATIA** 99-38	-0911	MONACU -	150-881
CYPRUS 080-	90010	METHERLAN	DS 660-022-9111
CZECH REPUBLIC 80-426-	18708	NIGERIA	
DENMARK 8891	8018	Special USADE	rect Telephone Location
'EGYPT' (CAIBO) 010	-02G6	*NORMARY	958-1281
FML VIII) 9500-1	00-16	POLANO	
FRANCE 190	-8611	PORTUGAL	
GABON	0-001	ROSEANIA	61-896-4284
GAMBIA	19111	"RUSSIA" (MA	OSCOW) 155-5842
GERMANY 8136	-0910	SAN MARINO	
GKANA	8191	SAUDI ARABI	
GERALDAR'+	6800 ·	SLOWINGA .	98-420-0010
GREECE DG-800	-1311	SPAIN .	900-99-00-11
TKINGARY 600-880-	01111	"SWEDEN	928-795-811
TCELAND 99	9-001	"SWITZERLA	
THELAND 1-800-55	9-200	TURKEY	509-8091-2277
ISRAEL 177-108		L'ARAB EN	
		LIBK	0800-89-0011
WORY COAST 69-1	11-11	ZAMESIA*	08-899
1000	00-10	ZHEAFWE	110-899
hand-to the	0-286		319-032
replaces to both focus parent country terms require cover or cord. "Sfeath re. "Lardful replacibility. "My available 11" tiest, outside Bons. "Del 010-4			4 4 5 1 5 1 1 5

access number of the country you're calling from for quick, clear connections back to the



80 mm - 27 mm -22.0 E---TI. 20 E5. -

**d**..... E. 75